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Cuba

U.S. Rejects Castro's Antidrug Proposal
FL1407131889 Bonaire Trans World Radio in English 1130 GMT 14 Jul 89

[Text] The United States Government has rejected Fidel Castro's offer for talks to find ways to control drug smuggling. The U.S. State Department says it wants indications that Cuba is serious.

The State Department says it supports the prosecution of alleged drug traffickers, but that it has no evidence to make a judgment about the four Cuban military officers executed yesterday. The State Department also said it would question Cuba's commitment to the fight against narcotics if trafficking continues unimpeded.

Television Reports on Resignation of Generals
FL1407120289 Havana Tele-Rebelde Network in Spanish 1100 GMT 14 Jul 89

[Text] Yesterday, Division General Pascual Martinez Gil submitted his resignation as first vice minister of the Interior Ministry [MININT] because of actions taken by the leaders of this institution which led to the impune actions of more than 2 years by a group of officers from the MC Department. The resignation was accepted and he has been replaced as MININT vice minister by division general of the Revolutionary Armed Forces, Romarico Sotomayor, who held the position of chief of staff of the Eastern Army and is an alternate member of the Central Committee of the Communist Party of Cuba [PCC].

The resignation of Division General German Barreiro Carames, as chief of the General Directorate of Intelligence of the MININT, for similar reasons, has also been accepted. He has been replaced by Division General Jesus Bermudez Cutino, who held the position of chief of the Intelligence Directorate of the MINFAR [FAR Ministry] and is a member of the PCC Central Committee.

The two outgoing MININT officers will be assigned to other tasks.

Previously, resignations were accepted from Brigade General Amado Valdes, chief of the Border Guards General Directorate; Brigade General Miguel Bermejo Labrada, chief of the Firefighting and Prevention Directorate; and Brigade Generals Manuel Suarez Alvarez Chaumont and Felix Veliz Hernandez, both of whom were deputy directors of the Central Political Directorate of the MININT.

Brigade General Roberto Gonzalez Caso has been replaced as chief of immigration and naturalization.

Dismissal Noted
FL1407112289 Havana Radio Reloj Network in Spanish 1034 GMT 14 Jul 89

[Report: "New Changes in the Interior Ministry Directorate"]

[Text] Division General Pascual Martinez Gil has submitted his resignation as first vice minister of the Interior Ministry [MININT] citing the deficiencies committed by the leaders of that institution which led to the criminal activities that took place for more than 2 years by a group of officers of the MC Department. The resignation was accepted and Division General [as heard] Romarico Sotomayor of the Revolutionary Armed Forces [FAR] was appointed to replace Martinez Gil. Sotomayor held the position of chief of staff of the Eastern Army and is an alternate member of the Central Committee of the Communist Party of Cuba [PCC].

The note adds that the chief of immigration and naturalization, Brigade General Roberto Gonzalez Caso, was replaced.

During the past few hours, resignations have also been accepted from Division General German Barreiro Carames, who was the chief of the General Directorate of Intelligence of the Interior Ministry. Division General Jesus Bermudez Cutino, who held the position of director on intelligence of the MINFAR [FAR Ministry] and is a member of the PCC Central Committee, was appointed to replace Barreiro Carames.

Other generals who previously resigned from their positions are: Brigade Generals Amado Valdes, chief of the Border Guards General Directorate; Miguel Bermejo Labradas [name as heard], chief of the Firefighting and Prevention General Directorate; and Manuel Suarez Alvarez and Felix Veliz Hernandez, both of whom were deputy directors of the Central Political Directorate of the MININT.

GRANMA Notes Execution of Officers
FL1307180989 Havana Tele-Rebelde Network in Spanish 1700 GMT 13 Jul 89

[Text] GRANMA today published a note in which it reports that at dawn this morning, 13 July, the sentence handed down by the special military tribunal in Case No. 1 of 1989 was applied against the sanctioned individuals Arnaldo Ochoa Sanchez, Jorge Martinez Valdes, Antonio de la Guardia Font, and Amado Padron Trujillo.

Part II of Second Session of Ochoa's Trial

FL0407180089 Havana Television Cubana Network in Spanish 0100 GMT 4 Jul 89

[Special program on "the second part of a summary of the second session of the oral hearing corresponding to case No 1 of 1989 of the expeditious trial of the special military tribunal" pertaining to the case of former Division General Arnaldo Ochoa Sanchez at the Revolutionary Armed Forces, FAR, Universal Hall. All speakers identified by caption; date not given—recorded]

[Text] [Division General Ramon Espinosa Martin] We now resume the trial. Accused Antonio Sanchez Lima, present yourself in front of the tribunal.

Accused, the law gives you the right to give testimony. Do you wish to do so?
[Sanchez Lima] Yes.

[Espinosa Martin] Answer the questions asked by the prosecutor.

[Juan Escalona Reguera] Accused Sanchez Lima, when did you begin working in the Ministry of the Interior?
[Sanchez Lima] In 1969.

[Escalona] Where did you come from?
[Sanchez Lima] From the customs office.

[Escalona] Sanchez Lima, in what year was the attempted hijacking of the Cuban plane which you prevented?
[Sanchez Lima] I have a very poor memory; however, I think it was 1977.

[Escalona] In 1977?
[Sanchez Lima] 1977.

[Escalona] You prevented it, risked your life, and were injured?
[Sanchez Lima] Yes.

[Escalona] That is why later you were promoted in recognition of your heroic action?
[Sanchez Lima] Yes.

[Escalona] When did you become involved with drug trafficking?
[Sanchez Lima] In 1987.

[Escalona] So, that means that 10 years after a heroic action, you began a denigrating life?
[Sanchez Lima] Yes, denigrating and dirty.

[Escalona] Who got you involved in drug trafficking.
[Sanchez Lima] I started working at the MC Department, in the naval operations section. Then, the comrade who was chief at that time, and now, (Hermes) asked me to do an operation. He needed my support. So I went with the comrade to carry out the operation.

[Escalona] Were you told what the operation was?
[Sanchez Lima] Yes I was told what the operation was.

[Escalona] You had no objections?
[Sanchez Lima] I had no objections. I agreed. That was the operation...

[Escalona, interrupting] What was the operation?
[Sanchez Lima] Eh?

[Escalona] When and where was the operation?
[Sanchez Lima] The operation was carried near the Bahia de Cadiz.

[Escalona] You were aboard the ship?
[Sanchez Lima] Repeat the question please.

[Escalona] Were you aboard that ship as it sailed from the southern to the northern part of the country, or did you (?stand) guard from land?
[Sanchez Lima] No, no. I went up to the Bahia de Cadiz on a yacht. There, I joined the ship.

[Escalona] What about afterward?
[Sanchez Lima] I was there for 20 days until all the merchandise was taken.

[Escalona] The merchandise was taken on small boats?
[Sanchez Lima] On fast boats.

[Escalona] The boat was there about 20 days?
[Sanchez Lima] Yes, about 20 days, I think it was 29 days.

[Escalona] Twenty-nine days.
[Sanchez Lima] I am not sure, but I know it was many days.

[Escalona] Was there any contact? Or, were you discovered by a (?ship), a Navy ship, or any one?
[Sanchez Lima] No. The ship was authorized to be there.

[Escalona] It was authorized by whom?
[Sanchez Lima] By Comrade (Hermes) who was our chief.

[Escalona] No, no. What authorized you to go up to the border guard, and merely say who you were, and not have him act or sound the alarm?
[Sanchez Lima] The mere fact that we worked in that directorate.

[Escalona] How was it authorized from here, through whom? Was it through the Border Guard leadership?
[Sanchez Lima] Yes, we used a paper, in other words a letter.

[Escalona] Who signed the letter?
[Sanchez Lima] The letter was signed by Tony de la Guardia.

[Escalona] Tony de la Guardia would sign the letter addressed to the Border Guard patrol?
[Sanchez Lima] Yes.

[Escalona] So, in the same way that the trafficking was done in the aerial corridor, the trafficking was also done by the ships?
[Sanchez Lima] That is right. The same...

[Escalona, interrupting] So, [word indistinct] border waters, the ship is untouchable?
[Sanchez Lima] Yes, untouchable.

[Escalona] Sanchez Lima, in what other activities did you participate? How many activities did you coordinate (?for) drug trafficking?
[Sanchez Lima] Well, the ones that were coordinated were a few, here and there. After those, I participated in five operations in which Comrades Prende and (Hermes) also participated. Although, it appeared as though I was alone, I never in my life carried out an operation by myself, and much less without coordinating it. It was always coordinated with my chief who was (Hermes). Additionally, the three of us would meet, it was said [rephrases] they would say what they needed, wanted. Comrade (Hermes) listen to everyone's opinions, and he would say that he would consult with Tony and that later he would tell us the answer. So, later he would bring us the answer as to whether or not the operation could be done.

[Escalona] There is something that catches my attention. The only marijuana operations that took place in this long account of shamelessness were carried out by you and by Sanchez Lima [corrects himself] I mean by you and (Hermes). Did you prefer marijuana, or was the way the work was distributed internally, or, how did that work?
[Sanchez Lima] Twice we were asked to do it, and we accepted twice.

[Escalona] A while ago, I asked accused Amado Padron [Trujillo], and he said he never had any contact with marijuana.
[Sanchez Lima] We did.

[Escalona] (?Not him), but you did?
[Sanchez Lima] Yes.

[Escalona] Why? Was it because he did not accept to work with it and it was passed down to you, or was it because you directly...
[Sanchez Lima, interrupting] No, the ties proposed that type of...

[Escalona, interrupting] Was the second activity with marijuana carried out in the same manner as the first?
[Sanchez Lima] No. It was different.

[Escalona] What happened?
[Sanchez Lima] We were asked to do an activity from Jamaica, going by Cape San Antonio, and then, they would continue on to the United States.

[Escalona] What happened?
[Sanchez Lima] They did the operation as planned. However, they did not inform us that they were going to go by Cape San Antonio. After they had the problem over there, they did not inform us any more about anything.

[Escalona] What was the problem?
[Sanchez Lima] It was the problem that was talked about where they were on the coast...

[Escalona, interrupting] Was this the ship that ended up without fuel?
[Sanchez Lima] Ah, that is right. They were on the southern coast.

[Escalona] Did you go with (Hermes) to the Isle of Youth?
[Sanchez Lima] No.

[Escalona] Where did you meet the boat?
[Sanchez Lima] We met it in Batabano.

[Escalona] In Batabano, and the boat was loaded with marijuana?
[Sanchez Lima] No, it was empty.

[Escalona] Had it already been unloaded between [word indistinct] and Batabano?
[Sanchez Lima] No. It was on its way over there.

[Escalona] Where was it headed?
[Sanchez Lima] It was headed to Jamaica to load.

[Escalona] Why did you have to give it a cover if it was empty?
[Sanchez Lima] We did it because we had been called and told that they had had problems.

[Escalona] With whom did they have the problem?
[Sanchez Lima] They had problems with the border guards, and I do not know if [rephrases] I do know that they did have problems with the border guards.

[Escalona] Where did you go? Did you go up to Batabano?
[Sanchez Lima] We went to Batabano.

[Escalona] Had you previously been to Batabano?
[Sanchez Lima] No, never before in my life.

[Escalona] What kind of explanation did you give to the Batabano Border Guards so that they...
[Sanchez Lima, interrupting] He was told that it was our ship and that we were going there.

[Escalona] Ours?

[Sanchez Lima] Yes, ours.

[Escalona] Did you have some kind of special credentials to show the Batabano Border Guards saying that you were a [word indistinct] in this country?
[Sanchez Lima] No, but they already had been informed through the leadership that we were going there.

[Escalona] The MC leaders informed the Batabano Border Guards?
[Sanchez Lima] Yes, they informed the Batabano leadership.

[Escalona] So, the latter gave orders saying that the two illustrious MC representatives were coming to save the drug traffickers who were in Batabano?
[Sanchez Lima] That is right.

[Escalona] Are you a merchant?
[Sanchez Lima] Yes, I was.

[Escalona] Since when, Sanchez Lima?
[Sanchez Lima] Since early 1964.

[Escalona] Since early 1964. Sanchez Lima, in what other activities have you participated?
[Sanchez Lima] Drug related activities?

[Escalona] Yes, drugs. Aren't we talking about drugs?
[Sanchez Lima] Yes.

[Escalona] Do you have another drug business?
[Sanchez Lima] I participated in the Alibaba, the MI [no further expansion provided], and the Luis Esgrande which is the same one that is talked about there [audience murmurs]...

[Espinosa Martin, interrupting] Let's have silence in the room.
[Sanchez Lima] The three of us also participated in the one that was carried out in 1989. Our comrade chief...

[Escalona, interrupting] You worked together like an (?ace)? You worked together—(Hermes), Prende, and Sanchez Lima?
[Sanchez Lima] That is right, always together.

[Escalona] You worked on naval operations?
[Sanchez Lima] Yes. There were three of us, and we worked...

[Escalona, interrupting] You worked as if you were one person?
[Sanchez Lima] Yes, like a single person.

[Escalona] It was the same people who worked with marijuana as well as with with cocaine?
[Sanchez Lima] Yes, they all did.

[Escalona] Sanchez Lima, where did the 275,000 pesos [corrects himself] $276,000 that were in your house come from?
[Sanchez Lima] Well, we bought a boat from the owner, legally, with property and everything.

[Escalona] Who is "we?" Is it naval operations, the trilogy?
[Sanchez Lima] No. I say "we" because we (?work) in naval operations. We needed to pay for the boat. So, I was sent to Panama. Comrade Prende was going to be sent. However, it was decided to have Comrade Prende go to Mexico, and I was sent to Panama to pay for the boat. I had taken with me $64,400 to pay for the boat. When all these problems occurred, I received a phone call in Panama and I was told not to give the money and to return it. I did not give the money, and returned with it to Cuba. That is part of the money, $64,400. The other $200,000, Comrade Prende and I had it saved to turn it over a few days later, and we thought—this may seem somewhat funny [passage indistinct]—however, that is the truth and it must be told. The boatmen came, Raulito [not further identified] came and he brought me the money.

[Escalona] How much money?
[Sanchez Lima] He brought me $300,000.

[Escalona] Uh-huh.
[Sanchez Lima] $200,000 was for the department and $100,000 was a gift for Prende and me.

[Escalona] $100,000?
[Sanchez Lima] I gave the 50 to Prende, and I took the 50...

[Escalona, interrupting] Not the 50, Sanchez Lima, the $50,000.
[Sanchez Lima] $50,000.

[Escalona] There is a small difference of three zeros, right?
[Sanchez Lima] Yes, it is a big difference.

[Escalona] Yes.
[Sanchez Lima] The problem is that I am a little nervous. I am sorry. We took the $50,000; that is the truth. We did not turn over the $50,000 [as heard] in order to give the $200,000 which I was going to bring from Panama as a cover-up. The money, naturally, was already here.

So, we told the new chief of the department—Tony was no longer there—I told him that I had a connection who was going to lend me the money for the ship factory that was needed here, in Matanzas. Since there was no money, I told him I had a connection who could lend me the money, and that I would go look for him. I told him a lie to be able to justify turning over that money. So I told Prendes when I returned from Panama—since I was the first one to leave—that we were going to turn in the money and say that (?we) took it to Panama. That is the truth about the...

[Escalona, interrupting] That is much more serious than the narration you are giving us.
[Sanchez Lima] Yes, it is very serious.

[Escalona] In other words, you received $200,000 [words indistinct] $300,000 after the operations had been suspended because De la Guardia was no longer heading the department.
[Sanchez Lima] That is right.

[Escalona] You received it in Cuba?
[Sanchez Lima] That is right.

[Escalona] You said that you owed $200,000 in Panama. You made a false trip.
[Sanchez Lima] No, the trip was not false.

[Escalona] No, the trip was to.... [changes thought] It had no purpose but rather it was a cover-up for the 300,000 pesos [as heard] that you acquired.
[Sanchez Lima] No. I went to Panama to pay the money and for other business...

[Escalona, interrupting] You went to pay what money?
[Sanchez Lima] I went to pay for the boat which should have been paid for 3 months earlier.

[Escalona] That boat...
[Sanchez Lima, interrupting] The boat was sold to the INTUR [National Institute of Tourism] for $90,000.

[Escalona] And how much did you buy it for?
[Sanchez Lima] We bought it for $65,000.

[Escalona] For $65,000. What about the $35,000? Did that also stay in your house?
[Sanchez Lima] I do not know where...

[Escalona, interrupting] Who was it given to?
[Sanchez Lima] Elmer probably turned it over.

[Escalona] Yes, Sanchez Lima, but let us return to.... [changes thought] You spoke to the new department chief.
[Sanchez Lima] No. What I said to the new department chief...

[Escalona, interrupting] Excuse me, let's see if you and I agree on what I am saying.
[Sanchez Lima] Yes.

[Escalona] You spoke with the new department chief and told him that you had not collected the money yet?
[Sanchez Lima] No, not ever.

[Escalona] However, you told him you had someone who was going to lend you the money.
[Sanchez Lima] That is right.

[Escalona] Who was going to lend the money?
[Sanchez Lima] It is a connection of ours.

[Escalona] A connection. This means that when you turned over the $200,000 the department owed your connection the same amount?
[Sanchez Lima] Of course.

[Escalona] So, that means that at any moment you can claim $200,000 to return it to the connection?
[Sanchez Lima] No, because that would be telling another lie. We were already...

[Escalona, interrupting] What is another lie if your life is continuously full of lies?
[Sanchez Lima] That is just it. That is what we mean by another lie.

[Escalona] How much more could another lie matter?
[Sanchez Lima] It would be another lie saying that the connection had died, he had been killed, or whatever the situation, but...

[Escalona, interrupting] Are you sure?
[Sanchez Lima] Yes I am sure. I am sure about what I am saying.

[Escalona] I would like to have the courage to believe you, Sanchez Lima, but I cannot, right?
[Sanchez Lima] That is right.

[Escalona] Why did you invent a trip to Panama to deceive a new department chief? That constituted a prolongation of the chaos and disorder that existed in [word indistinct] the guard in that department. That was mocking a new department chief that the Ministry of the Interior placed there.
[Sanchez Lima] Comrade Prosecutor, you must not have understood what I explained.

[Escalona] It is very difficult to understand, Sanchez Lima.
[Sanchez Lima] I told you that I made a trip to Panama to pay for the $65,000. That is a fact; that is truth.

[Escalona] You made a living from drug trafficking. You pretended to have a business, but it was based on drug trafficking. You are here today thanks to drug trafficking. I tell you, with all my heart, that I feel very sorry for you. A man like you knew how to endanger his life to save a plane that was going to be hijacked, and who just 10 years later, evolves to the point where you are now and to the moral level where you are now! This causes me shame. I am done, president.

[Espinosa Martin] Sanchez Lima, answer the questions asked by the defense.

[Ramon Fernandez Concepcion] Thank you, president. Sanchez Lima, when did you join the MC?
[Sanchez Lima] What did you say?

[Fernandez Concepcion] When did you join the MC? On what date?
[Sanchez Lima] In 1986.

[Fernandez Concepcion] In late, early 1986? In what?
[Sanchez Lima] I cannot tell you when. I imagine it must have been around mid-1986.

[Espinosa Martin, interrupting] Let's have silence in the room.

[Fernandez Concepcion] Around mid 1986?
[Sanchez Lima] Yes.

[Fernandez Concepcion] When did you find out that MC was carrying out drug trafficking activities?
[Sanchez Lima] I found out when I was asked to participate in the Bahia de Cadiz.

[Fernandez Concepcion] Who suggested you participate in that activity? Your chief?
[Sanchez Lima] Yes.

[Fernandez Concepcion] During the months of October, November, and December of 1988, you participated in three drug trafficking operations. Did you coordinate them?
[Sanchez Lima] The coordination was done with Comrade Prende, (Hermes), and I—the three of us.

[Fernandez Concepcion] Who coordinated them?
[Sanchez Lima] Well, we spoke with (Hermes). The situation was explained to (Hermes). (Hermes) said he was going to coordinate with Comrade Tony and that later he would give us an answer. So, we waited, and the answer was positive.

[Fernandez Concepcion] I want to know, Sanchez Lima, who coordinated them. Did you do it?
[Sanchez Lima] No, no. We coordinated them, Prende and I.

[Fernandez Concepcion] Who had the connection?
[Sanchez Lima] Raulito was my connection. Carlos Rivas was Prende's connection. However, we always worked together. In other words, we worked and coordinated together.

[Fernandez Concepcion] Correct. The accused, Diaz Izquierdo who took the stand before you, in his statements, said that you exchanged for him dollars for pesos.
[Sanchez Lima] That was right.

[Fernandez Concepcion] Cuban money?
[Sanchez Lima] Yes, Cuban money.

[Fernandez Concepcion] What were you going to use it for?
[Sanchez Lima] We were going to use it for our personal affairs.

[Fernandez Concepcion] You [rephrases] Let's move on to another subject. Did you collect any sum of money in Panama as a result of a drug trafficking operations?
[Sanchez Lima] No, that is not so.

[Fernandez Concepcion] As I recall, according to the notes I took from your previous statements, it was said that you collected $150,000 in Panama.
[Sanchez Lima] No, that is not true.

[Fernandez Concepcion] That is not true?
[Sanchez Lima] I was going to collect it.

[Fernandez Concepcion] Explain that.
[Sanchez Lima] That is the money, the $200,000, that I said I was going to collect. However, I had said that to some comrades, such as Prende, with whom we had already agreed on that. That is not to say that I was actually going to collect the money. It was like a cover-up—to say that I was going to go collect it.

[Fernandez Concepcion] Is that the case you were just talking about in which you were going to get rid of the $200,000 that the drug trafficker, Raulito, had brought you.
[Sanchez Lima] Exactly. That was the money. We did not collect again, because there was not another operation. There was nothing else I could be given the money for.

[Fernandez Concepcion] Sanchez Lima, what did you think about this whole drug activity to which you completely dedicated yourself during these [passage indistinct]?
[Sanchez Lima] What I can tell you is that I have been disrespectful toward the Revolution, our commander in chief, our people, party, and especially to the Ministry of the Interior [MININT]. I have been disrespectful toward that (?man) who I cannot face, please.

I have been disrespectful toward everyone. I am a denigrator, an unworthy person. The MININT should not have ever accepted me. The truth is that it seems my mind wasn't very clean when I ended up doing these things. I have been disrespectful. I have been disrespectful to all my comrades. I feel ashamed. I do not know how to pay for this. Even if my penalty is high, I will never in my life pay for what I have done. I will always remember this. I will feel ashamed. Never in my life will I be able to lift my head; I feel like I will always be pointed out. Especially, [I have been disrespectful] to my comrades, such as the general who came to see me many times while I was injured. There is no name for what I have done. Whatever I am called, will not be enough. I will accept whatever I am called. I am not worth 2 cents. I am no good. It will take me a lot of work to stand on my own again. But, I hope that at least I get the opportunity to stand again. I have been disrespectful toward my wife and my children. I have been disrespectful to everyone. I am not worth 2 cents. That is the truth.

[Fernandez Concepcion] That is enough, [words indistinct].
[Sanchez Lima] I don't know how many more things could be said about me. They wouldn't be enough. So, there is no need for me to continue saying things. The only thing I feel bad about is that the MININT.... [changes thought] I know that, internationally, horrible things are going to be said about it. It is the MININT; and [I hope] that they are not going to say it is a bunch of trash that behaved in this way. They are going to talk about the MININT, our general, and chief.... [rephrases] minister of this ministry. I am a no good, comrade.

[Espinosa Martin] Does someone else in the defense wish to ask the accused questions?

[Escalona] President, just one question, briefly.

[Espinosa Martin] Sanchez Lima, answer the prosecutor's question.

[Escalona] Sanchez Lima, six pistols and two revolvers were seized from you.
[Sanchez Lima] That is right.

[Escalona] Where did they come from?
[Sanchez Lima] One was given to me for the shots fired during the plane incident so that I could continue taking care of the airport. I had another P38 since the war, which didn't work; it was broken, but I still kept it as a souvenir. The two revolvers were gifts given to me by the boatmen. The other two pistols were also gifts.

[Escalona] They were from the boatmen?
[Sanchez Lima] Yes, from the boatmen also.

[Escalona] Did you need eight guns?
[Sanchez Lima] What?

[Escalona] Did you need eight guns to carry out your job?
[Sanchez Lima] No, but I liked them and accepted them. I didn't even use...

[Escalona, interrupting] You accepted the other guns from the boatmen.
[Sanchez Lima] I accepted them.

[Escalona] Were you going to participate in the war of all the peoples with those guns?
[Sanchez Lima] It looks like it.

[Escalona] That is enough for me, president.
[Sanchez Lima] Comrade prosecutor, I didn't even carry a gun. I have always been unarmed.

[Escalona] [Word indistinct]

[Espinosa Martin] Does the tribunal wish to ask the accused any questions? Accused, you may step down.
[Sanchez Lima] Thank you very much.

[Espinosa Martin] Accused Rosa Maria Abierno Gobin, place yourself in front of the tribunal. Rosa Maria Abierno Gobin, the law gives you the right to give testimony. Do you wish to do so?
[Abierno Gobin] Yes.

[Espinosa Martin] Answer the questions asked by the prosecutor.
[Abierno Gobin] Excuse me, may I...

[Espinosa Martin, interrupting] Answer only the questions asked by the prosecutor. Later you will have the opportunity to express other necessary matters.

[Escalona] Rosa Maria, you were captain in the MININT?
[Abierno Gobin] Yes.

[Escalona] In what year did you join the ministry?
[Abierno Gobin] In 1975.

[Escalona] Where did you transfer from?
[Abierno Gobin] Intelligence.

[Escalona] From where?
[Abierno Gobin] Intelligence.

[Escalona] No, you came from the...
[Abierno Gobin, interrupting] From the Ministry of Education.

[Escalona] What did you do there?
[Abierno Gobin] I was a teacher.

[Escalona] You were a teacher?
[Abierno Gobin] Yes.

[Escalona] Then you transferred to the Intelligence Directorate?
[Abierno Gobin] Yes.

[Escalona] Where in that directorate did you work?
[Abierno Gobin] In the Cadre Directorate [corrects herself] in the Cadre Department.

[Escalona] Cadre Department.
[Abierno Gobin] In the Training and Cadre [Department].

[Escalona] Up until what year did you work there?
[Abierno Gobin] I worked there just under a year.

[Escalona] What about later?
[Abierno Gobin] I then transferred to the operations unit.

[Escalona] What about after that?

[Abierno Gobin] I transferred to Cimex [Cuban Foreign Trade Corporation] to the corporation of...

[Escalona, interrupting] In what year?
[Abierno Gobin] In 1983.

[Escalona] Who took you to Cimex?
[Abierno Gobin] Colonel (Serbando), (Sergio Martinez Serbando), who used to work in intelligence. In other words, he used to work in intelligence but transferred to Cimex. He asked for me.

[Escalona] He what?
[Abierno Gobin] He asked for me.

[Escalona] He asked for you when you were in the Instruction and Cadre Department?
[Abierno Gobin] No, excuse me...

[Escalona, interrupting] No, he asked for you when you were at the operations unit.
[Abierno Gobin] Yes, the operations unit.

[Escalona] Yes, excuse me. For how many years were you a teacher?
[Abierno Gobin] I was a teacher for 6 years.

[Escalona] You were a teacher in an elementary school?
[Abierno Gobin] No, in secondary school.

[Escalona] You dealt with adolescents?
[Abierno Gobin] Yes.

[Escalona] How did you get involved in drug trafficking?
[Abierno Gobin] In late in 1987. Well, not late that year, but during the second semester of 1987. I knew someone who, up until that time, had been a merchant. I made a trip to Spain, and on my way there I contacted that merchant.

[Escalona] You knew him as a merchant?
[Abierno Gobin] Up until that time, I knew him as a merchant. His ties with us had been totally commercial. He told me about a comrade, who up until then had worked not as my subordinate but with me, Comrade Eduardo Diaz. He said he had asked Diaz, on his previous trip to Cuba, about the possibility of finding some connections who were involved in some way with drug trafficking. However, he was told that I could not be told about that request, conversation.

[Escalona] They could not tell you about it?
[Abierno Gobin] Right, not me.

[Escalona] Was he a discreet person? Did he tell you as soon as he saw you?
[Abierno Gobin] Of course he did.

[Escalona] Fine.
[Abierno Gobin] He asked (?why); he said that I did not abuse the trust of the department.

[Escalona] However, Eduardo was not chief of the department.
[Abierno Gobin] No. According to what he said, Eduardo had made the proposal on behalf of his chief and Colonel Tony de la Guardia.

[Escalona] In other words, on behalf of Amado Padron and Tony de la Guardia.
[Abierno Gobin] That is what he told me, up until that moment. When I returned to Havana, I spoke with Eduardo. At first, I did not even want to speak with him, because it seemed to me that what he had done was not right. So, when I returned to Havana I spoke with Eduardo and I told him what I had been told. First, he denied it. Later, he even spoke with me and told me it had not been his intention to hurt me, or to take a connection away from me that I had used up until that time. However, he said [word indistinct] and that he had done it. I asked him if it was true that those activities were being carried out in the department, and he told me it was true. He even told me about the first activity...

[Escalona, interrupting] He told you about the first activity we talked about here?
[Abierno Gobin] Yes, the first one with Reynaldo Ruiz, he told me everything about it. He told me how it was done, where the unloading took place, the whole thing.

[Escalona] So, you immediately went to the intelligence leaders and denounced the activities?
[Abierno Gobin] Unfortunately, I did not do that.

[Escalona] Ah, no? Well, continue.
[Abierno Gobin] Nevertheless, I began to observe what was going on in the department to see if the activities were actually taking place. Yes, they were. What I did was to use someone, who up until that point had been a merchant, as a connection.

[Escalona] You changed him and asked him for help.
[Abierno Gobin] Yes, I asked him for help. That gentleman put me in touch with a drug trafficker.

[Escalona] A foreigner?
[Abierno Gobin] He was of Cuban origin.

[Escalona] Cuban origin.
[Abierno Gobin] I never had any contact with a [word indistinct]...

[Escalona, interrupting] Where did he live?
[Abierno Gobin] He lived in the United States, in Miami.

[Escalona] So, how did you contact him?
[Abierno Gobin] You want to know how we contact this person who is now a connection?

[Escalona] Right, the one who is now a connection.

[Abierno Gobin] The way to bring this connection to Cuba was through the normal operations carried out by the department, which were authorized. When this connection visited this country, we spoke with him.

[Escalona] Did he already come with the goal of carrying out operations, or to contact you?
[Abierno Gobin] Well, he came with the purpose of exploring the possibilities.

[Escalona] Yes.
[Abierno Gobin] He came to see whether or not there were possibilities. Undoubtedly, it was already known in the United States that, in one way or another, Cuba was covering-up drug trafficking operations. That is something which is very difficult to avoid. So, he came and explained the situation. They [not further identified] had brought $50,000, and they wanted to explore the possibilities for drug trafficking via Cuba. With this proposal [rephrases] Excuse me, in order to help this connection, I began working, for the first and only time, with someone who told me about Prende.

[Escalona] Excuse me, but at that moment, Prende, Eduardo, and you were under the orders of (Hermes) in the department of naval operations, right?
[Abierno Gobin] Excuse me, but no. Eduardo was no longer in the operation...

[Escalona, interrupting] Eduardo had already transferred to the [word indistinct] command?
[Abierno Gobin] That is right.

[Escalona] However, Prendes and you were still in naval operations?
[Abierno Gobin] Yes. In his section were Eduardo [corrects herself] Excuse me, Prendes, Sanchez Lima, and I were in that department, if I remember correctly. I don't think I have missed anyone. Then...

[Escalona, interrupting] What about Leonel Estevez Soto? Wasn't he also there? He was?
[Abierno Gobin] I think so.

[Escalona] Excuse me, he was there at that time?
[Abierno Gobin] Yes I believe he was there, because Leonel transferred to Amado's section when I also transferred.

[Escalona] That is right.
[Abierno Gobin] So, they told us the situation. Then Prendes and I went to see Col Tony to tell him about it.

[Escalona] You went directly to him?
[Abierno Gobin] Yes, we went to see Tony directly. We told Tony the situation. Their proposal was to do drug trafficking, but they wanted to keep the merchandise in Cuba. Everyone was concerned about keeping the merchandise in Cuba. Well, it was not really keeping the merchandise in Cuba, but it was the unloading and then reloading and shipping off of the merchandise. It was not a matter of doing it in the modus operandi of dropping the merchandise from a plane, but another way. We told him about it, and Tony accepted the proposal. They were already prepared. The boats were already here. The operation was covered up with computers. In other words, the plane brought computers and cocaine. The cocaine was unloaded.

[Escalona] Did it come from Colombia?
[Abierno Gobin] Excuse me?

[Escalona] Did it come from Colombia?
[Abierno Gobin] Yes, it came from Colombia to Havana.

[Escalona] Right.
[Abierno Gobin] It would land at the Varadero Airport.

[Escalona] Was it the same modus operandi? That is to say, were the drugs dropped from the plane in the northern part, then it would return empty...
[Abierno Gobin, interrupting] Excuse me, but no. There was no dropping of drugs.

[Escalona] There was no dropping?
[Abierno Gobin] No, this was not drug dropping. This is the case where the merchandise stays in the country.

[Escalona] That is right.
[Abierno Gobin] According to what had been planned for the operation, the merchandise was not supposed to remain in the country any more than ½ hour, maybe an hour. However, there was bad weather. When there is bad weather, the boats cannot leave. Therefore, the merchandise stayed in the country. So, we put it away in Santa Marta. Ah! I forgot one part. Tony was told about the situation, but Tony called Elmer for this operation. Elmer participated in this operation.

[Escalona] Elmer participated in accordance with the hierarchy?
[Abierno Gobin] That is right.

[Escalona] Right.
[Abierno Gobin] So, the merchandise remained in Havana. First it was in Santa Marta.

[Escalona] Was it in Santa Marta, next to Varadero?
[Abierno Gobin] That is right, right there, in front of the Varadero Airport.

[Escalona] Where did you keep it there?
[Abierno Gobin] There are some cabins there that are being repaired. They are Border Guard cabins. The cabins are being repaired for tourism development for the combatants. At that moment, the cabins were not being used. They were, well, there were people working there, but that day, there weren't any. The merchandise remained there for a night. The next morning, it was moved in a small van to Santa Maria del Mar. It was kept in Santa Maria del Mar for 2 days.

[Unidentified person says to Escalona: Ask her why. However, Escalona does not ask her.]

[Escalona] Yes, continue.
[Abierno Gobin] It stayed there 2 days. Then it was transferred on a ship and taken to the United States. This was the first operation.

[Escalona] So, it was first in Santa Marta, and where was it taken to from Santa Marta?
[Abierno Gobin] It was taken to Santa Maria del Mar.

[Escalona] Santa Maria del Mar. Was it taken in an MC van?
[Abierno Gobin] It was taken in an MC van. Yes, in a Toyota.

[Escalona] Who participated in that? You and who else?
[Abierno Gobin] Prende, Elmer...

[Escalona, interrupting] And you?
[Abierno Gobin] And I.

[Escalona] Continue.
[Abierno Gobin] I am not sure if Sanchez Lima participated in this operation. I am not absolutely certain. I think he did. He joined...

[Escalona, interrupting] Where in Havana did you keep the merchandise?
[Abierno Gobin] In that house, in the Santa Maria del Mar house.

[Escalona] Did you rent the house?
[Abierno Gobin] It was rented there in Santa Maria del Mar.

[Escalona] Who rented it? You?
[Abierno Gobin] Well, one of us did. I cannot tell you for sure...

[Escalona, interrupting] That is fine. How many days was it in Santa Maria?
[Abierno Gobin] It was there 2 days.

[Escalona] Two days.
[Abierno Gobin] It was there 2 days. Then, the weather got better, and the merchandise was taken out. That was the first operation.

[Escalona] Right.
[Abierno Gobin] After this operation, another one was carried out with Elmer. The second operation was carried out about 20 or 25 days later with the same modus operandi which consisted of 500 kilos. Everything was done...

[Escalona, interrupting] Excuse me, but I see an internal accounting problem here.
[Abierno Gobin] Yes.

[Escalona] The first operation was agreed to be done for $250,000. Right?
[Abierno Gobin] Well, we agreed to do it for $50,000 and later $250,000 more. That is to say a total of $300,000.

[Escalona] Was the agreement for $250,000?
[Abierno Gobin] No.

[Escalona] Why were $250,000 more agreed to?
[Abierno Gobin] No,...

[Escalona, interrupting] Was the additional money agreed to because of the risks?
[Abierno Gobin] No. No additional money was received.

[Escalona] It was simply $300,000 all along?
[Abierno Gobin] Yes. Allow me to explain. We tried to tell the boatmen, or the connections, that, since the operation had run more risks than we originally thought, we should be paid more. However, the connections did not agree to pay more.

[Escalona] So, it was not $250,000 plus $50,000 for their appreciation?
[Abierno Gobin] No. The agreement had always been to pay $1,000 per kilo of cocaine. That was the agreement—$1,000. If 300 kgs were moved, it would be $300,000. What would happen is that there would always be an advance payment of $50,000, because you could run the risk of losing the merchandise in the ocean, one way or another. It could be lost if people were detained or if there was bad weather.

[Escalona] Fine. What about the second case?
[Abierno Gobin] The second operation used the same modus operandi as the first one.

[Escalona] However, the merchandise was not moved to Varadero?
[Abierno Gobin] No. It was shipped immediately.

[Escalona] What about the third case?
[Abierno Gobin] By that time, the activities had been recessed. I no longer did those kinds of activities in 1987. In 1989, I...[rephrases] Well, there was a new division created in the department. That refers to the question you have asked many times, to which I also do not know the answer. I was transferred then and started working with Amadito, Amado Padron. While I was in the section of Amado Padron, during the month of January...[rephrases] during the first 3 months of the year—it could have been January or early February—I became involved again in drug trafficking activities.

[Escalona] So what happened in 1988? The activities did not cease in 1988.
[Abierno Gobin] No. In 1988, I did not get involved in any of those activities.

[Escalona] Why?

[Abierno Gobin] I did not do it, because there was no connection, nor did the leaders ask me for anything. I dedicated myself...[rephrases] Excuse me, I did not carry out any illicit activities. I dedicated myself to legal activities.

[Escalona] Legal activities.
[Abierno Gobin] In 1989. May I continue?

[Escalona] Yes, of course.
[Abierno Gobin] In 1989, I started working with Amado Padron. In January, I say January but it could have been February...

[Escalona, interrupting] Yes, yes, I can tell you. It was in February.
[Abierno Gobin] In February?

[Escalona] Yes.
[Abierno Gobin] Amado told me that...[rephrases] Amado knew about the activities I had been carrying out previously with Elmer, because he had seen the operation in Varadero. He had seen the movement.

[Escalona] Everything was known in the MC.
[Abierno Gobin] Of course. Then I was asked again to use the connections that I had and that I had used with Elmer. We almost never called directly to Miami. We only called if circumstances dictated it.

[Escalona] So, the February operation was carried out and was successful?
[Abierno Gobin] Yes.

[Escalona] You received the money.
[Abierno Gobin] The money was given to me and Elmer. Elmer always picks it up.

[Escalona] Was the cover-up that you were transporting modern furniture?
[Abierno Gobin] No, we are talking about the February operation.

[Escalona] Right.
[Abierno Gobin] Excuse me, can I clarify this?

[Escalona] Yes.
[Abierno Gobin] From February on, in other words when I started working with Amado Padron...

[Escalona, interrupting] You added a new twist to this operation then? You carried out two operations...[corrects himself] one operation in February, one in March, and one in April. In other words, Amado Padron added a new twist to your activities after 1 year. Right? Continue. What happened in March?

[Abierno Gobin] I was telling you that in the month of February, the activities...[rephrases] the modus operandi of all the trafficking done in 1989 no longer involved leaving the merchandise in the country but, instead, it was dropped from a plane. The first operation was carried out in February. Payment for the week was collected.

[Escalona] Right. In March?
[Abierno Gobin] Yes, in March. Then I was asked to...[rephrases] Two or three operations needed to be done quickly because the drug trafficking activities were going to cease.

[Escalona] Do you really think this is reason for the actions that took place in the month of April?
[Abierno Gobin] I think so.

[Escalona] Were you convinced that the operations were going to cease?
[Abierno Gobin] No.

[Escalona] Did you already have information that Tony was going to be replaced in the department?
[Abierno Gobin] I did not have that information.

[Escalona] Did Amado Padron have it?
[Abierno Gobin] I do not know.

[Escalona] How did you find out that Tony was going to leave the department?
[Abierno Gobin] During a meeting that...[rephrases] What happened was I had an accident, and I was out of the unit for approximately 40 days.

[Escalona] When did that happen?
[Abierno Gobin] I was not able to participate in the last two operations.

[Escalona] In the last two operations in April?
[Abierno Gobin] I was not able to participate in the ones in April.

[Escalona] However, you did participate in three of them?
[Abierno Gobin] I participated in two with Elmer and one with Amado.

[Escalona] No, no. In March, you participated in one with Amado, in another operation of the same type. That was in March. In other words there was one in February and one in March. In April, you also participated in another operation.
[Abierno Gobin] No, let me clarify that situation. In March, the day the boatmen arrived for the two last operations, I went to look for them in Varadero. When I went to the boat where the border guards had detained them, I twisted my foot and fell. When I fell, I broke two vertebrae. The following day I went to the doctor. No, not the following day because it was Sunday. On Monday I went to the doctor, and he recommended bedrest; I couldn't move. That is why I am telling you that in the last two operations, I participated in everything that had to do with coordination, but not actively.

[Escalona, interrupting] But you did not participate in the realization of those activities?
[Abierno Gobin] No, not in the realization of them.

[Escalona] So, you were not an active participant. However, in April, there was another operation with your connection, right?
[Abierno Gobin] What happened took place at the end of March. Everything was done in 1 week.

[Escalona] The two of them?
[Abierno Gobin] The last two operations were done in 1 week. The plan...[rephrases] According to what Amado Padron told me, the idea was to carry out three of them in 1 week.

[Escalona] Three in 1 week?
[Abierno Gobin] Three in 1 week. However, only two were possible to carry out because the connection did not have...

[Escalona, interrupting] Was Amado Padron trying to pay Cuba's foreign debt with the drug trafficking money in 1 month? Was that the goal? Did you get money for the last operation?
[Abierno Gobin] No. That is what I was about to clarify. During the last operation...[rephrases] Of the two operations, we were paid for the first, not for the second.

[Escalona] Is it going to be possible to get paid for it?
[Abierno Gobin] Yes, of course. Well, I think so.

[Escalona] You think so? Despite your situation? Is it possible? It is certain that there were five coordinated operations. You participated directly in three of them. You did not participate in the others because you were injured. Let's move on to another matter, briefly. How much money was seized from you?
[Abierno Gobin] $14,000.

[Escalona] Where was it seized?
[Abierno Gobin] Well, can I expand a little bit on this, or do I have to answer only what you ask?

[Escalona] If it would help at all for you to expand, please go ahead, so that the people here can understand.
[Abierno Gobin] Yes. In the first drug trafficking operation that was carried out with my connection...

[Escalona, interrupting] How much did you get for that?
[Abierno Gobin] No. If you'll allow me, I will explain that as I go along. The first drug operation was carried out with my connection. There were very serious problems with transportation because there were a lot of people and they did not fit in a small car. When the connection came to pay, he told me he wanted to buy a van or something which would be more spacious than the car and which would allow him to move the people more easily. We had had to rent taxis in Varadero, because the situation...[shifts thought] So, he left $10,000 to buy a car, a van, or something. It was not possible to buy a van or a [word indistinct] with that money in Cuba. So, it was decided to buy a Comby car. It cost $4,800. The remaining $5,200...[pauses]

[Escalona] Yes, yes, continue.
[Abierno Gobin] The remaining $5,200 was put in the fixed-rate account of an enterprise. It was approximately $5,000.

[Escalona] Who gave those $5,000?
[Abierno Gobin] That was the difference between the $10,000...

[Escalona, interrupting] Who took the the money there?
[Abierno Gobin] The connection took the money, the drug trafficker. The person who had been a merchant and then became our connection was the one who took the money there. He knew I did not have a home. He gave me a certain amount of money—along with another sum of money that was his, that is to say it was for his personal use—which came from drug trafficking profits. He wanted me to exchange those dollars into pesos. I gave Elmer that money, which—if I remember correctly—was approximately $10,000. I am talking about the time when I was still working with Elmer. I gave the money to Elmer and explained to him that it was for the merchant-connection of ours. Elmer exchanged that money at the currency unit. In other words, at the unit...

[Escalona, interrupting] For how much?
[Abierno Gobin] I think it was for 5.50.

[Escalona, interrupting] 5.50!
[Abierno Gobin] I think that was the exchange rate.

[Escalona] So, you got 55,000 pesos?
[Abierno Gobin] I got part of those 55,000 pesos because the $10,000 was not mine. In other words, all the money I exchanged did not end up in my hands. Part of that money was what I was going to get for a home.

[Escalona] Did you get a home?
[Abierno Gobin] Yes, I got a home, and it was also [word indistinct]

[Escalona, interrupting] How much did you pay for it?
[Abierno Gobin] I paid between 50 and 55,000 for it.

[Escalona] Where did you get that money, because [word indistinct]?
[Abierno Gobin] Excuse me?

[Escalona] That is not part of the $10,000 you exchanged. Did you have money?
[Abierno Gobin] Previously, I had my own money.

[Escalona] That is why I am now asking you how much did you make from each drug trafficking operation?
[Abierno Gobin] I did not make money from each operation.

[Escalona] How much was given as gifts to you?
[Abierno Gobin] It is the gifts that I am now explaining to you. All the cases I am explaining to you...[rephrases] In other words, for each case, I am trying to tell you everything I received.

[Escalona] How much did Amado Padron give you?
[Abierno Gobin] Once, around March, Amado Padron gave me an envelope with $900. When I went to return the envelope to him, he told me to keep it.

[Escalona] [Word indistinct] chief. Anyway, that money was not his. That was everything that Amado gave you?
[Abierno Gobin] Yes, that's all from Amado.

[Escalona] Who else gave you money?
[Abierno Gobin] The connection. The merchant-connection gave me $10,000 to exchange into pesos. I received that money, and I only kept 35,000 pesos.

[Escalona] What about the rest of the money?
[Abierno Gobin] The rest of the money went to...

[Escalona, interrupting] What about the other connection, how much did he give you?
[Abierno Gobin] The other connection gave me the $10,000 to buy transportation. However, there was a sum of money which remained from that. I was also given a...

[Escalona, interrupting] Rosa Maria...
[Abierno Gobin] I was also given a Rolex watch.

[Escalona] Did Amado Padron give you that watch?
[Abierno Gobin] No, no. The connection gave me the watch.

[Escalona] Rosa Maria, who uses the Comby?
[Abierno Gobin] I use the Comby.

[Escalona] You use it?
[Abierno Gobin] Yes.

[Escalona] All the time? So that means that the connection gave you the money to buy the Comby so that he could use the vehicle if, through some miracle, he should return to Cuba?
[Abierno Gobin] No. The connection did use the Comby. I am talking about the Comby which was bought during the second operation.

[Escalona] Hasn't he returned again?
[Abierno Gobin] Yes, after that time, he has carried out three more operations.

[Escalona] Or four times. So he has used the Comby 4 or 5 fives. How often did you use it?
[Abierno Gobin] I used it the rest of the time.

[Escalona] So that means that the Comby was almost a gift for you.
[Abierno Gobin] That is right.

[Escalona] However, in addition to the Comby, you have another vehicle?
[Abierno Gobin] I had the vehicle that was assigned to me by the department, the one that was sold to me.

[Escalona] How did the department sell it to you?
[Abierno Gobin] Well, through a...[rephrases] Well, I paid 250 pesos to Cubalse [purchasing agency for the diplomatic corps and president of Cubanacan].

[Escalona] What do you mean you paid 250 pesos? Don't you have a Lada 2107?
[Abierno Gobin] That was a Lada I had for work.

[Escalona] Yes...
[Abierno Gobin] Through actions in the department, all the officers and I were sold...

[Escalona, interrupting] They were sold to you for 250 pesos?
[Abierno Gobin] That is what is called...

[Escalona, interrupting] Or was it for $250.
[Abierno Gobin] No, it was 250 Cuban pesos. That is how much...

[Escalona, interrupting] An MC Department vehicle is transferred to its officers for 250 pesos? Are you an owner of one? Is it in writing and is everything legal?
[Abierno Gobin] Yes, yes.

[Escalona] [Word indistinct]
[Abierno Gobin] That is how much Cubalse charges for the transfer of...

[Escalona, interrupting] You had such a generous boss! So, that means that in one way or another, you acquired a 55,000-peso home, a Lada 2107, and a Comby which your connection leaves here until he has the courage to return to Cuba. I have finished, Mr President.

[Espinosa Martin] Rosa Maria, answer the questions the defense will ask you.

[Raul Martinez Perez] Accused, for me it has been...

[Espinosa Martin, interrupting, asks audience to be quiet]

[Raul Martinez Perez] For me, the explanation you have given the Prosecutor's Ministry has been very extensive. Nevertheless, we would like to make two or three clarifications for your defense.

You said that you worked 14 years for the MININT. Is that right?
[Abierno Gobin] Yes.

[Martinez Perez] How many internationalist missions have you carried out?
[Abierno Gobin] None.

[Martinez Perez] I would like you to give your assessment, what you think, of this whole situation. However, before that, I would like for you to explain to me what was the real reason you turned from an experienced operative officer into an experienced drug trafficker. In other words, what influenced you? Was it the environment that was created in the MC Department where you heard that your comrades had had so many operations, and that they had had so many profits, and that they handled a lot of dollars, money? First of all, what motivated you to take that step?
[Abierno Gobin] It was a wretched motivation. Unfortunately, I can see today, and not sooner, that it was a wretched motivation. My motivation was to do what everyone else was doing. I am the only female officer in the department. I was afraid of being left out of some important operation which would bring in money. I did not stop to think about the political consequences this activity could have. It was not that I did not stop to think because I was illiterate, because I did not read GRANMA, due to a lack of political awareness, or due to ideological weaknesses...[rephrases] ideological maturity. It is none of those reasons.

I was simply allowed to be taken, I fell into this filth. [sighs] Now I am sorry, but it's too late. The damage has been done. We have begun doing damage to the revolution and to the other activities of the department, the ministry, the people, and the family. All our families [chokes up] were proud of us. In my case, at least, my parents could not even imagine that I would be involved in this kind of filth. Instead, they were proud of me. It is damage that cannot be paid with anything. But the damage is done, and now it must be paid. [sobbing] There is nothing left to do but pay, and I have nothing to pay with. [hangs her head and cries silently].

[Martinez Perez] That is all I have, Comrade President.

[Espinosa Martin] Comrades of the tribunal, do you have any questions?

[Escalona] President.

[Espinosa Martin] Yes, comrade prosecutor.

[Escalona] Rosa Maria, where did you study to be a teacher?
[Abierno Gobin] Where did I teach?

[Escalona] Where did you graduate from as a teacher?
[Abierno Gobin] I graduated from the university.

[Escalona] In what [word indistinct]?
[Abierno Gobin] The career is called higher teaching for economics.

[Escalona] What year did you graduate?
[Abierno Gobin] In 1980, I was already in the ministry.

[Escalona] In 1980 you were already working in the ministry, in the Instruction [Department].
[Abierno Gobin] Yes, in the Instruction Department.

[Escalona] So, you taught for 6 years?
[Abierno Gobin] Yes, I taught for 6 years.

[Escalona] You taught adolescents there?
[Abierno Gobin] Yes.

[Escalona] Were you able to live with the change from being among the adolescents to becoming a distribution center for drug trafficking which would be consumed by adolescents throughout the world? Or at least to be consumed by the adolescents in the United States? Did you sleep well at night knowing that? So, you started your career with the aspiration of becoming a teacher? That is all I have, Mr President.

[Espinosa Martin] Accused, you may step down. [Calls the next accused] Accused Alexis Lago Arocha. Place yourself in front of the tribunal. Lago Arocha, the law gives you the right to give testimony. Do you wish to do so?
[Lago Arocha] Yes.

[Espinosa Martin] Answer the prosecutor's questions.

[Escalona] Lago, you were a Lieutenant Colonel in the Ministry of the Interior?
[Lago Arocha] Yes, sir.

[Escalona] When did you join the ministry?
[Lago Arocha] In 1966.

[Escalona] Had you participated in the struggle against Batista, or were you still too young.
[Lago Arocha] I was part of a [word indistinct] for the 26 July.

[Escalona] For 26 July. So, what did you do after the triumph of the revolution?
[Lago Arocha] Well, first I worked as a stevedore.

[Escalona] As a stevedore?
[Lago Arocha] Yes.

[Escalona] Right.
[Lago Arocha] I worked as a stevedore in an oil factory. Then I transferred to the INDER [National Institute for Sports, Physical Education, and Recreation]. Then I was transferred to counterintelligence where I worked until 1983. During that year, I was transferred to CIMEX [State Enterprise for Import Export].

[Escalona] When did you begin your drug trafficking activities?

[Lago Arocha] The first time it happened was with the connection Francisco Rivera Cruz. He is also known as Paquito, and he is the connection of Officer Joel [Leonel Estevez Soto]. He [not further identified] told me that this individual, on several occasions, gave him the opportunity...

[Escalona, interrupting] Was he Cuban?
[Lago Arocha] What?

[Escalona] Was Paquito Cuban?
[Lago Arocha] Yes. He was of Cuban origin.

[Escalona] Is he one of the ones that left from the Mariel?
[Lago Arocha] Yes.

[Escalona] I see.

[Lago Arocha] He [not further identified] approached me several times, and I would tell him that that was not permitted in this country. I told him that if he was going to help, he should do it in another way. Nevertheless, he continued to insist. So I told Tony about the idea he had to send a ship from Jamaica, sail it on Cuban coastal waters, have it arrive at Bahia de Cadiz, and then sail it away to the north. At first, Tony had doubts. However, I am not sure if it was 2 or 3 days later when he said: let's do it. That is when he agreed to do this particular operation.

[Escalona] Elmer, I have a question: Did you say that Tony had doubts?
[Lago Arocha] No he did not have doubts. What happened was that he did not approve the operation at first.

[Escalona] However, he had already started the drug trafficking business.
[Lago Arocha] Excuse me?

[Escalona] He had already started the drug trafficking business with Amado Padron.
[Lago Arocha, interrupting] Yes, but I did not know about that at all.

[Escalona] That is what I am saying. It was not a matter of him having doubts, or of him being surprised by the idea of something he had already started.
[Lago Arocha] I did not...[rephrases] Well, let me explain.

[Escalona, interrupting] It was only a [word indistinct], right?
[Lago Arocha] Well...

[Escalona, interrupting] You were not the one to start drug trafficking in the MC Department. It had started much earlier.
[Lago Arocha] By what has been said here, it appears that [word indistinct].

[Escalona, interrupting] It started some time earlier. What?
[Lago Arocha] By what has been said here, it appears not.

[Escalona, interrupting] Fine. So what happened with that ship? Was that the ship that had the tragedy, the one that was supposed to have the marijuana but did not?
[Lago Arocha] Yes.

[Escalona] That is the one in which the connection died, and no money was collected?
[Lago Arocha] Right, no money was collected.

[Escalona] Elmer, what other operation did you carry out?
[Lago Arocha] Afterward...[rephrases] Prior to that situation, some time passed. That was when this operation we talked about took place. Comrade prosecutor, will you allow me to make a clarification? I think it is important.

[Escalona] A clarification? Yes, go ahead.
[Lago Arocha] From the moment I joined that section, I went with Tony to the Border Guard headquarters. This explains several things that have been said here. A general coordination plan was established; Tony explained to the Border Guard the need to give cover to legal operations.

[Escalona] Safe-conduct operations?
[Lago Arocha] That is right. I was the chief of that section. I do not know if Amadito also went. So, a permanent coordination plan was established. That is what permitted the connection to be covered for all these operations.

[Escalona] The all-powerful Tony de la Guardia coordinated with the Border Guard a safe-conduct for all the ships which he said carried his products?
[Lago Arocha] That is right. Exactly. The other situation which arose was the one about Raulito. The ship sailed by southern Cuba. According to what I recall, they [not further identified] were told not to do it, but they insisted on doing it. We told them we could not give any guarantees because the weather was very bad for any kind of operation of that nature. Tony was told about that, and he agreed. Nevertheless, after some time went by—like Sanchez Lima stated—the ship had a problem and it was repaired. They got lost. About a month went by, and a report was released which said that they had been detained. But they had not really been detained. They were outside our territorial waters, they had drifted off because they were out of fuel. They had information...

[Escalona] Were they your connections?
[Lago Arocha] That was Raulito, Sanchez Lima's connection.

[Escalona] Sanchez Lima's connection?

[Lago Arocha] That is right. So, the Border Guard reported that the Navy had spotted a ship which was asking for help. It needed fuel.

[Escalona] How did the connection identify himself to you? With a radio?
[Lago Arocha] No, no. In this case, there was no...

[Escalona, interrupting] How did Sanchez Lima find out about it?
[Lago Arocha] He found out through the Border Guard.

[Escalona] Did (?you) tell the Border Guard that [words indistinct]?
[Lago Arocha, interrupting] They were coming to Barlovento. [answers Escalona's question] No, it was not handled on behalf of Tony. They were coming to Barlovento, and they had merchandise for us.

[Escalona] But didn't the Border Guard realize the ship was empty?
[Lago Arocha] It was outside our territorial waters. It was not...

[Escalona, interrupting] As chief of a naval operations section, if you find a ship that has drifted near our waters, and if the Border Guard goes aboard, don't you have to search it?
[Lago Arocha] I would think so. I do not know why...

[Escalona, interrupting] So why wasn't it done? Was it because it had the [word indistinct] patent of the MC Department?
[Lago Arocha] It appears as though the Border Guard spoke with them, and they did not touch the ship. They did not do anything to them. So they were told to supply them with fuel.

[Escalona] You told them?
[Lago Arocha] Yes.

[Escalona] Who gave them the fuel? The Border Guard?
[Lago Arocha] Yes, the Border Guard. Then they set sail again on their course. Approximately 2 months later they appeared again. They said... [rephrases] But something was said there which we do not know whether or not it was true. It is not known whether it was marijuana or cocaine what they were carrying. They said it was marijuana. I do not...

[Escalona, interrupting] When did that happen? After the fuel incident? Two months later they arrived again?
[Lago Arocha] They arrived again with a ship...

[Escalona, interrupting] Where did they arrive?
[Lago Arocha] They arrived at Barlovento. They asked for permission to enter and they got it. They turned over $30,100 which were registered in the department as a tobacco operation.

[Escalona] As what kind of an operation?

[Lago Arocha] As a tobacco sales operation.

[Escalona] $30,100? Why did they turn over those $30,100?
[Lago Arocha] It was an expression of gratitude for the favor that had been done for them.

[Escalona] It was gratitude for the favor and the fuel?
[Lago Arocha] Yes, and the fuel.

[Escalona] It was also for your discretion?
[Lago Arocha] That is right.

[Escalona] Continue.
[Lago Arocha] They left. Interest in buying the ship was shown....

[Escalona] Continue.
[Lago Arocha] They returned. They showed interest in selling the ship. So, they offered to sell it. It was bought and then sold to the INTUR.

[Escalona] What about the $30,000. Was that given only as a form of gratitude?
[Lago Arocha] Yes, and I gave it to Comrade Tony.

[Escalona] To comrade who?
[Lago Arocha] Tony.

[Escalona] Tony. Fine. Elmer, tell me about another operation.
[Lago Arocha] Later there was an operation which I did not initiate. That is the one Comrade Rosa Maria spoke about. That is the one involving the plane. Tony called me. He said: There is this kind of an operation. There is a plane that comes, etcetera. Take care of that problem, because it is complicated. Help is needed. That is how I got involved in that operation. I think there are some things which maybe, in the minds of the comrades...[changes thought] So, the operation was carried out like Comrade Rosa Maria explained. The plane landed and, on that same day, part of the shipment was taken out. However, since they [not further identified] said it was too much, they left part of it in Santa Marta that night and went to look for it the following day. However, the weather got worse, and it was decided to take the merchandise to a house in Santa Maria. Two or three days later, the merchandise was transferred again. At that time, I told Comrade Tony that I thought it was crazy what they had done. I said it was one thing to have a ship sail on the territorial waters and another thing to use a plane. A plane could crash or have an accident and then a very complex situation could develop.

[Escalona] Was Tony in Varadero that day?
[Lago Arocha] No.

[Escalona] Did he go there later?
[Lago Arocha] No. As far as I know, he did not go.

[Escalona] Did he go after you spoke with him?

[Lago Arocha] No.

[Escalona] After you held that conversation with Tony...
[Lago Arocha, interrupting] I went to see him.

[Escalona] Ah, you went to see him in his office?
[Lago Arocha] I went to see him in his office after the operation was over. The other operation in which I participated...[changes thought] I was reviewing, here, the statements...[rephrases] It seems to me that as you look at all the statements made by the comrades...[does not complete sentence] In October 1988, an operation was attempted through the Bahia de Cadiz. That is the operation in which the "Ali Baba" ship participated. That operation failed. That operation...[rephrases] Although it was said that Comrade Tony does not remember, I will say that he was consulted and he approved all the operations. I did not carry out a single operation he did not approve.

[Escalona] Naturally, those things were discussed with much discretion in Tony's office. Since there have been so many discussions, it is possible that Tony does not remember. Is that what you are saying?
[Lago Arocha] Yes, that is what I am saying.

[Escalona] Very well. What other operation did you carry out?
[Lago Arocha] The other one was in April with the same connection, Raulito. The operation consisted in coming from southern Cuba and sailing in international waters. The connection received a shipment of cocaine from a ship. He was going to sail in our waters. He had a small breakdown but the ship was repaired. Then the ship was sent to...[rephrases] It was sent to Icacos; then in the [word indistinct], near Icacos, at night time, it was given permission to exit. I was not directly involved in that operation. [corrects himself] Ah, excuse me, I was not in the 1988 operation. Even though it looks like it. I was in Havana, although I am also responsible. But Prende and Sanchez were there coordinating it, and I stayed in Havana.

[Escalona] Prende and Sanchez Lima?
[Lago Arocha] Yes, and Sanchez Lima.

[Escalona] This is the...
[Lago Arocha, interrupting] This is the October 1988 operation. Several operations appear there, all mixed up, which do not...

[Escalona, interrupting] There was an operation in October in which Sanchez Lima and Prende participated but you did not. There is one in November in which Elmer, Prende, and Sanchez Lima participated. There is another one in December in which Elmer, Prende, and Sanchez Lima participated.
[Lago Arocha] No, I remember that there was only one operation.

[Escalona] Could it be possible that the same thing that happened to Tony is happening to you?
[Lago Arocha] No, sir.

[Escalona] No?
[Lago Arocha] I am sure not.

[Escalona] What other operation was there?
[Lago Arocha] The last operation was in April 1989. It was the same one I was referring to. The ship had a breakdown and it was quickly repaired. The ship continued en route to Icacos. I stayed in Havana. Comrades Prende and Sanchez took the responsibility of finishing the operation near Icacos. I did not participate in any additional operations. I did not know about this operation. I thought money had not been collected for it and that is what I stated. The comrade instructors [as heard] assured me that yes...

[Escalona, interrupting] What?
[Lago Arocha] They assured me that the money had been collected, but I said it had not. I continued saying that. I just now found out that Comrade Sanchez had actually collected the money...

[Escalona, interrupting] That operation involved the "Mai" or "Mi" ship?
[Lago Arocha] It is called "Emi".

[Escalona] "Emi". I see, it did not have an "E" here. "Emi", I see. Was that your last operation? In April.
[Lago Arocha] Yes, April.

[Escalona] Why did you not participate in the last set of operations. There were many operations which needed to be done and in which many people participated.
[Lago Arocha] I can say with all certainty that I was still not totally involved in the activities of Amado Padron's group. I did not know...[rephrases] I had imagined they did something like that. However, I did not know the quantity with which they dealt nor the frequency. I have no connections with Amado's group whatsoever.

[Escalona] I know, but I imagine that this explosion of activities must have involved the whole department. When the drug trafficking operations of that mysterious and strange department ended...[rephrases] When the operations ended for Amado Padron, they must have ended for you too. Right? Didn't they tell you the operations had ended?
[Lago Arocha] No, I was not told that.

[Escalona] When did you find out that Tony had left the MC Department?
[Lago Arocha] Excuse me, but I do not remember the exact date. It must have been...[rephrases] Let's see, we are in June...

[Escalona] You do not remember?

[Lago Arocha] Excuse me, let me see if I can...[rephrases] I think it was late April. I think but I do not know. It was then that the activities were ending...

[Manuela Garcia Valdez, interrupting] Of the operations your group—your naval operations unit—carried out, how many were successful?
[Lago Arocha] Drug trafficking operations?

[Garcia Valdez] What was the total number?
[Lago Arocha] In actuality, only two were successful.

[Garcia Valdez] Only two? What was the total amount of money collected?
[Lago Arocha] $30,000 from the operation carried out with the connection Raulito, and $250,000 for the Varadero Airport operation. I gave all that money to Tony.

[Garcia Valdez] In other words, you turned in all the money you received for the operations?
[Lago Arocha] That is right.

[Garcia Valdez] Did you personally benefit from those operations?
[Lago Arocha] No, not at all.

[Garcia Valdez] Did you use any of that money for yourself?
[Lago Arocha] No, never.

[Garcia Valdez] How many cars do you have?
[Lago Arocha] Just one.

[Garcia Valdez] How did you acquire that vehicle?
[Lago Arocha] That vehicle was assigned and sold to me. I paid for it with my salary.

[Garcia Valdez] Did you have another vehicle...
[Lago Arocha] No. That other car was practically ruined at work, and I had to repair it. So, Tony let me use another car for my work as section chief.

[Garcia Valdez] Regarding the dollars that were seized from you, was any national money also seized from you?
[Lago Arocha] No.

[Garcia Valdez] Regarding those dollars, why did you hide them?
[Lago Arocha] I must confess here, even if it is shameful, that up until a short while ago, I was completely wrong about Comrade Tony. I was totally wrong.

[Escalona, interrupting] About whom did you say?
[Lago Arocha] About Tony.

[Garcia Valdez] Was it customary for the chiefs and officers who worked in the MC Department to have those sums of money in their homes for operations...
[Lago Arocha, interrupting] No, not in my house, but upstairs [as heard].

[Garcia Valdez] You had it upstairs. So you were not the exception. It was customary for you to handle that money or have it with you.
[Lago Arocha, interrupting] This was so especially for the chiefs.

[Garcia Valdez] Basically the chiefs?
[Lago Arocha] That was true for that amount of money. At least, that was my case.

[Garcia Valdez] You said that toward the end...
[Lago Arocha, interrupting] Allow me to explain. I know that in this situation, it is difficult to believe this, but it is my truth and I will say it. There were plans to move our offices. Repairs were being made. We had construction personnel there. We did not have guards there, only older night watchmen. The offices' roof and windows remained totally opened. I had a small strongbox that a man could easily carry on his back. That weekend, I decided to take that money to my house. We were in the midst of holding meetings for the move; these were meetings between Tony and the new chief. I think it was on Monday or Tuesday that I found out about Tony's arrest, and about Patricio's arrest and that his house had been searched. For me that was truly...[rephrases] I really do not know what to say. I say this with shame. I lost my courage, and I said: what if...[shifts thought] Well, it was assumed that I would also be arrested if they found this money upstairs. I was a coward. I even thought about destroying the money. Then I changed my mind and thought I should not do it. I saved it.

However, once...[rephrases] The comrade instructor asked what was happening. I was briefly informed about the seriousness of the events. I immediately said where I had put the money. Even if you do not want to believe me, I tell you that I was not going to keep that money. I do not have a single cent of that money. I would also like to explain a few other things, but...

[Garcia Valdez] Go ahead, explain them.
[Lago Arocha] You see, this trial has been very shameful for me. I have listened to all the statements made by the comrade prosecutor, and he is completely right. I do not deny what he says. During this time, I have analyzed how this happened, how it was possible that I, an officer, party member, and even our comrades, have arrived to this. We allowed ourselves to be corrupted by convenience. That is the truth. Everything was convenient, easy. Everything was resolved. Tony showed he had the power solve things. This was seen as something that happened, not overnight, but he had done it for years. It was incredible, but he solved everything. He would say: Do you need something? Take it. He resolved it. I think that, in my case, that was what started a process of corruption which makes one insensitive out of convenience. All the deep analysis that comrade prosecutor has made is right—convenience, the easy acquisition of things. I advise my children that when something comes to them easily, they should look carefully at what they are getting. I think that is what has led to this process of

degeneration. I feel deeply ashamed. The news that my name had appeared on the papers had a great impact on me. [sobbing] I have suffered terribly, and I know that I have thrown away a life of work—approximately 20 years of work. I am ashamed to be in front of my comrades, friends, and family. [sighs] All the statements the comrade prosecutor has made are absolutely true. I think that this process, which makes one insensitive, which prevents one from thinking like one should, has no explanation. There is no explanation for it when you think about the irreparable damage I have done to my family. I am ashamed and sorry. These days have served as a good time to think about this. Although....[bows his head and holds back his tears] Although I am not worthy of being in the Minint and much less in the party, I feel like a revolutionary person. I am willing to give my life for the revolution.

[Espinosa Martin] Accused, you may step down. [Espinosa calls next accused] Accused Miguel Ruiz Poo. Place yourself in front of the tribunal. Accused Ruiz Poo, the law gives you the right to give testimony. Do you wish to do so?
[Ruiz Poo] Yes, I do.

[Espinosa Martin] Answer the prosecutor's questions.

[Escalona] Accused, you were a captain in the MININT. Right?
[Ruiz Poo] That is right.

[Escalona] When did you join the MININT?
[Ruiz Poo] On 2 February 1969.

[Escalona] In 1969? So, you are now 36 years old?
[Ruiz Poo] Yes, 36 years old.

[Escalona] Are you a lawyer?
[Ruiz Poo] I have a degree in judicial sciences.

[Escalona] Degree in judicial sciences. You were a deputy director of Interconsul [no further expansion provided].
[Ruiz Poo] Yes, I was deputy director of Interconsul.

[Escalona] Then, you transferred to Panama?
[Ruiz Poo] Yes.

[Escalona] Fine. So, did you know your relative Reynaldo?
[Ruiz Poo] No.

[Escalona] Where did you meet?
[Ruiz Poo] Reynaldo had asked for certain services...[rephrases] for some Interconsul schedules. He had to pay for them.

[Escalona] He had to what?
[Ruiz Poo] He had to pay for them.

[Escalona] Right.

[Ruiz Poo] Then, the offices we had in Panama...

[Escalona, interrupting] How did you contact your relative?
[Ruiz Poo] He came to pay.

[Escalona] How did he identify himself?
[Ruiz Poo] He came to pay, and while he was there he found out that the manager's name was Miguel Ruiz Poo. His name is Reynaldo, and he knew my father, because he is my father's cousin.

[Escalona] I see. When did he leave Cuba?
[Ruiz Poo] He left in 1962.

[Escalona] Did he leave legally?
[Ruiz Poo] Yes, he left legally.

[Escalona] Was it at that time that he established relations with you?
[Ruiz Poo] Yes, I charged him for the services, and we began relations.

[Escalona] Was it not prohibited for the officials of this department to deal with a relative who is a worm [former Cuban citizen]? It is not prohibited?
[Ruiz Poo] Not at all. You must realize that the only kind of people I dealt with were worms.

[Escalona] Yes, but it is one thing to have a worm as a client, and another to associate with a relative who is a worm and to establish relations with a relative whom you had never met. Right?
[Ruiz Poo] No, I don't...[rephrases] Well, that is right.

[Escalona] No, go ahead, say it.
[Ruiz Poo] Not exactly. I did not establish relations or anything of that sort. I charged him for the services. Then he mentioned to me the possibilities of obtaining equipment and resources. We started talking about commercial matters and about what he did.

[Escalona] You talked about normal commercial matters. When did drug trafficking get into this?
[Ruiz Poo] I am about to explain that. That is how we started talking. Then one day he made the comment. He told me.

[Escalona] You did not tell him?
[Ruiz Poo] No. He told me. For a long time there had been discussions. I saw that he was the first one to tell me about it. The only thing I wish to do is to tell you the whole truth, and the instructor can (?support) me in that. So, he told me that he had a sister...[corrects himself] a Colombian wife. He wanted to work something with the Cuban section. As you know, I was a Cuban investor who lived there. I worked for Cuba. It did not mean that I had moved to Panama. So everything he brought was for a group of friends of mine, and to see if I could somehow get a commission out of all that. That is how, one day Amado Padron and I talked over there. I told Amado

Padron that he had mentioned to me the possibility of dealing with this group. That is what I told Amado Padron. Amado Padron told me that it needed to be discussed further in Havana.

[Escalona, interrupting] That it needed what?
[Ruiz Poo] He said it needed to be discussed in Havana. Nevertheless, Amado decided to meet with him. We met with him, and he told us in detail what we already knew. He said that he owned two planes, that he had direct connections, and that he had direct connections with boatmen. He started talking about several things that dealt with drug trafficking. Amado Padron told me and him that the decision could not be made then and that it needed to be discussed. [passage indistinct] A few days later, Amado Padron asked me to travel to Cuba with ...

[Escalona, interrupting] With your cousin.
[Ruiz Poo] With Reynaldo Ruiz. I accompanied him on a regular flight. Then we went to the meeting. The meeting was held in Tony de la Guardia's office—the office that Tony de la Guardia had left. The office was now occupied by Amado Padron. He, Tony de la Guardia, and I met. During the meeting, Tony de la Guardia talked strictly business. That impressed me a lot because...[rephrases] I don't know why. It was drug trafficking. [Words indistinct] I gave my opinion to Amado, and Amado discussed it with Tony. [Passage indistinct] Later, he spoke about tobacco. [Words indistinct] tobacco in the United States. He said, literally, that for him to take tobacco to the United States was the same thing as taking drugs there. He (?combined) the two, although what he was really interested in was drugs. That was the conversation.

I told the instructor that I am still not able to say exactly when he discussed the full operation, the details of the operation. I told the instructor, and the instructor believes that I have told him everything with all the details.

[Escalona] Was there an agreement made?
[Ruiz Poo] Yes, there was an agreement.

[Escalona] Was there a trip to Santa Clara?
[Ruiz Poo] The trip to Santa Clara was made specifically so that the son [nor further identified] would be introduced. The son is a pilot, and he needed to know how to get into Cuba.

[Escalona] That is right.
[Ruiz Poo] The son was given the information...

[Escalona, interrupting] What information?
[Ruiz Poo] He was given the information on how he needed to communicate on the radio, etcetera.

He was given the information and left the following day. He was about to leave immediately, but he left only on the following day. I then returned to Panama. I am talking about events that happened in 1986.

[Escalona] Yes.
[Ruiz Poo] I returned to Panama. I was told that everything was ready for the operation. He explained to me that a plane would take off from Panama. We were aware of all that and we had already [stutters]... arranged it; that is, the details were all known, so that no time would be wasted. Then I came with him.

Two operations were mentioned here, but there were three operations. I came with him to participate in that operation. When I arrived here, he and I went to Varadero, where the boatmen arrived. He had to meet the plane but the plane did not arrive because of problems in Colombia or wherever, perhaps in Panama. I am pretty sure that the plane was in Colombia. The plane did not come, and the action was frustrated because the boatmen had to leave. Amado Padron then told me that I should no longer come, that I should stay there, because we had communications problems. He told me to stay there, so that he might call me if he needed me, so that I might meet with the contact, with any... [hesitates] with his wife or so. So I stayed there. He then told me that I [changed thought] I just do not want to explain how things happened...

[Escalona, interrupting] [?Go on.]
[Ruiz Poo] I don't want to. He told me to stay there. It is true that, during the first operation, companero Eduardo did not know anything about the case. This is true. The case was known only by Amado Padron, Tony de la Guardia, and myself, and nobody else. We were the only people who were aware of the case...

[Escalona, interrupting] Uh-huh.
[Ruiz Poo]...at least as far as I know and as far as I have seen. Amado Padron then told me that after I left, Eduardo would join in at the guest house where Reinaldo stayed whenever he came, and that I should stay there to act as liaison.

Another operation was carried out. I am not aware of the details of the operation, but I know that it was carried out. I know that they arrived. I know that they—he and Eduardo—took care of it. I know that the boatmen left and that they were arrested.

[Escalona] Go on, go on.
[Ruiz Poo] I know that they were arrested. A third operation was carried out later. This was followed-...[changes thought] Ah! Amado Padron told me that I should try to compel Reinaldo to pay him a sum of money—even despite the failure, because of the risk involved. I forced him, and he paid. If I am not mistaken, that amount was approximately 400,000 [no currency specified]; it was about...

[Escalona, interrupting] ...The pay was for...[stutters] for the frustrated operation?
[Ruiz Poo] For the frustrated operation.

[Escalona] Aaah!

[Ruiz Poo] For the frustrated operation. The second operation was then carried out.

[Escalona, interrupting] Your relative was generous.
[Ruis Poo] I beg your pardon?

[Escalona] Your relative was generous, because as I have seen here he paid for something that had not been done.
[Ruiz Poo] He did pay for it.

[Escalona] Very nice.
[Ruiz Poo] Reinaldo Ruiz paid for it.

[Escalona] Go on with the next operation.
[Ruiz Poo] The third operation was then carried out. The third operation was also carried out by Amado Padron and Eduardo. This operation was successful. The pay for that operation was...(changes thought] I don't know the exact amount that was paid for that operation. I am not really aware of it. I don't know. He paid me $40,000 or $42,000.

Even despite the fact that Amado Padron was in Panama I (?received the money), which was paid to me as a commission. Of that $40,000 I gave $20,000 to Tony de la Guardia. Finally, that I don't...

[Escalona, interrupting] He apparently paid $320,000...
[Ruiz Poo] No, I don't... [Escalona interrupting] ...in addition to the $40,000 that he paid to you.
[Ruiz Poo] (?haw)? Look, we had our budget...

[Escalona, interrupting] And if the commission was yours, why did you have to give $20,000 to Tony de la Guardia?
[Ruiz Poo] Ah, because Tony de la Guardia is a department chief, and it was too much money for me to keep all for myself.

[Escalona] So you kept only $20,000, which was...
[Ruiz Poo, interrupting] I will explain why, I will explain why. The reason is simply that we were not receiving the budgeted amount.

Initially, I could have been weak enough—anyone can be weak, right?—to keep that $20,000 for myself. I could have been weak, but I confess that I left the money there and that the money was used to pay expenses. When I returned here—even before returning, about 5 months before, or 4 months...[stutters] more or less 5 months... [changes thought] (?After) my return in November—when I returned, all the debts had already been paid. Then, when I arrived here in Havana in March; that is... [changes thought] [?When I say I arrived I mean I was not...] like in a vacation. I retuned to work in January. I arrived at... [hesitates] at the office, and a few days later... [changes thought] Ah! Reinaldo came once again, because he married a Cuban girl, and he left with the Cuban girl...

[Escalona, interrupting] Yes.

[Ruiz Poo]... and he was arrested in Panama.

[Escalona] In Panama?
[Ruiz Poo] No, upon (?this) return, he learned that his yacht had been retained, because [name indistinct] returned alone. He then went to the United States—I learned about all this while I was in Cuba—he went to the United States and then he left this country. He reported that there were actually no difficulties, that the captain of his yacht had used drugs aboard the yacht and that he was... [changes thought] Then, when everything was normal, that he was... [hesitates, changes thought] in one of the... [hesitates] of the...[changes thought] that he planned to leave through the airport or something like that, Interpol arrested him at the airport. He was taken to the United States. He was arrested. As far as I know, the entire department knows this.

[Escalona] When did that happen?
[Ruiz Poo] About March.

[Escalona] Of 1988?
[Ruiz Poo] Yes. Not in 1988 but in 1987.

[Escalona] In 1987.
[Ruiz Poo] During that time I began to [word indistinct] here. People began arriving, and I attended some of the meetings. I attended a meeting with a Mexican, who went to Varadero. The meeting was attended by Willy, Eduardo, Amado, and me. Everything was analyzed there; that is, I was there, but this was the meeting during which the Mexican issue was analyzed.

One day Amado Padron told me to attend a meeting that would be attended by (Joel). Ah! First he told me to support Joel ["Joel" Estevez Soto]. [Word indistinct] told me to support Joel. And we analyzed a raid operation 20 miles north of Varadero.

If I am saying something wrong it is because I am not an expert, I am not really an expert. He [not further identified] was told about the approximate location of the operation zone. The operation was to be carried out for roosters [fighting cocks]. I learned about it. I did not participate in the rest of the operation, but I have as much responsibility as those who masterminded, planned, and supported the operation.

[Escalona] What do you mean by roosters? Was it a...?
[Ruiz Poo, interrupting] No, the cover was to buy roosters...

[Escalona, interrupting] Aahh ...
[Ruiz Poo] ... That is, they would carry out the raid and then...

[Escalona, interrupting] The (?cover) was the purchase roosters?

[Ruiz Poo] ...The purchase of roosters. This was the cover for the plane, which had to be refueled. I repeat that I have as much responsibility as those who planned, organized, and supported the operation. I don't know when the operation was carried out but it was. I know it was carried out. I don't know how much was charged for it, but I know that an amount was charged. [Ruiz Poo repeats] I know that an amount was charged for it. I don't know the exact figure, but I was there, and I even saw the money paid.

[Escalona] Where was the money delivered? In Cuba?

[Ruiz Poo] The money was delivered in Cuba, in Varadero, where I went for the last time...

[Escalona, interrupting] Uh-huh.

[Ruiz Poo] ...this was a few days...[changes thought] When I... [changes thought] Amado Padron told me something very important. (?Bah!), it was a story. I was in Amado Padron's house. A phone call was received saying that there was a plane, that some signals had been given, and that someone's name had been mentioned, either Eduardo's or somebody else's. I think it was Eduardo's name.

Amado Padron then told me: I am going to Varadero because there are problems with a plane. In my illusion and fancy, I believed that it was important to go, that it was my responsibility or whatever you want to call it. I went there in my own car, despite the fact that I cannot drive well at night. I obviously arrived a bit late. When I arrived, Amado Padron told me that everything was solved, that there were no problems, and that those people dumped the drug, that they were pretending, and that this was the reason why they landed here.

The car, I mean the plane, was repaired the next day, and it left. I say this because I am also responsible for this, because I was aware of it.

I don't know if more operations were carried out later; I know nothing about that. The instructor asked me if I was aware of the operations being carried out by others. I confess that I am not aware of them. I may have been aware that there were operations. But what I was sure of was that operations were being carried out even though I had no details. And I cannot press charges against anyone; I cannot say anything because I really did not participate, and I do not know. Had I been aware of any operation, I would have reported it; I would have simply reported it. Amado Padron then told me to accompany him to conclude the Eduardo operation. He told me that there were difficulties, that one of the boats had broken down while trying to recover the drugs. I accompanied him. When we arrived in Cayo Romero, Amado Padron told me where they buried part of the shipment or simply that they could not take it with them. We said good-bye to the people, and that part of the shipment remained there.

I learned that... [hesitates] that they paid part of the money. On that day, Tony de la Guardia went to Varadero. On the same day, Amado Padron told me that he would give—that is, that each of the companeros will receive—$25,000. We then counted—he and I counted—in the house, $100,000 of that package [words indistinct]. Tony de la Guardia then arrived and told us—thank you. [drinks water] Tony de la Guardia told us about the seriousness of the situation at that time, that even the counterintelligence personnel of the radio department had managed to pick up communications messages or something like that. Everything had already been unveiled. I did not know since when, but everything had already been unveiled. Everything was already known because Amado Padron had ordered Eduardo to strip those people of their radios, so that they do not (?put up a show). Therefore, this was a security measure imposed by Amado Padron. Let us call it that.

Then the seriousness of the situation was revealed. Tony de la Guardia said that the prevailing situation [changes thought] and Amado Padron did not tell Tony de la Guardia, because it is fair, it is absolutely fair... [changes thought] He even told me that he did not say it to him. This was not clarified to the instructor, but it is fair, because he did not tell Tony de la Guardia that in Cayo Romero he buried that... [changes thought] But he did give Tony de la Guardia a bag with the rest of the money, which he placed, with my help, inside the trunk.

I arrived the following day, or a few days later, and Amado Padron told me: Here you have $25,000. I will also give the money to Willy, Eddy, Joel.

What did I do with $25,000? I changed some money and gate it to Sanchez Lima. But in addition to that, there is something that was not mentioned here, which we did, [breathes deeply] something which has not been mentioned, and which shows a phase of corruption [voice breaks] [words indistinct]. It is what we did with some allowances. Let me tell you, and this must have been recorded there, that I... [sobs] the only right thing that I did, the only thing... [sobs] from the first day... [sobs] [words indistinct].

[Escalona] The accused should make an effort. What other reasons?
[Ruiz Poo] Yes.

[Escalona] Make an effort.
[Ruiz Poo] What we did is that we took from the allowances which we had to deliver to the economic police, and we (?changed) it. This case can also (?mark a difference in my own case), although I imagine it won't be too much. I (?changed the allowances), and Amado Padron, Eduardo, and myself benefitted from it. We did it, and this shows a (?more serious) aspect of corruption.

[Escalona] You are talking about the allowance that was sent to the relatives?

[Ruiz Poo] Yes. The economic police (?may have changed part of it) [words indistinct]. We changed part of it, and we tried to justify it with the excuse that we needed gasoline for the cars. That was nothing but a rationalization because the cost of gasoline and any other expensese that we may have had were nothing in comparison with what we earned and what we stole, because that is the right word [breathes hard]. That is everything I know.

[Escalona] Does the accused have anything else to say?
[Ruiz Poo] Yes.

[Escalona] Do you still have something to say?
[Ruiz Poor] Yes.

[Escalona] Say it.
[Ruiz Poo] The only shame I have felt is that of having been unable to tell the truth about all the things that I did, and the only revolutionary qualification that I may still have is the courage that I've had to say all this [voice breaks] I did not need [words indistinct].

[Escalona] Well, I ask the accused to calm down. [Ruiz Poo seen breathing irregularly] Can you answer a couple of questions now?
[Ruiz Poo] Yes, and believe me when I say that I will answer them.

[Escalona] I only wanted to ask you whether you knew Martinez during your activities.
[Ruiz Poo] Yes, and I'm glad you have asked me about him because there is something in there. I did know Martinez.

[Escalona] Where did you meet him?
[Ruiz Poo] I did meet him. I met him at Amado Padron's office. [words indistinct] Martinez and I met him when he was trying to provide us with pullover sweaters; that is, he was trying to obtain the pullovers to send to Gen Ochoa in Angola. I then called Amado Padron, who was in a meeting with Martinez [words indistinct] he was at a meeting with Martinez. He then asked me whether I could send the pullovers through one of my contacts, obviously not a contact of this type. I coordinated everything, and we sent the pullovers. [words indistinct] They realized that I... [changes thought] because one day on the sidewalk I personally told Martinez... [changes thought] because Martinez was being sought to be told that he should not talk with a Colombian who was here, because that Colombian could (?disclose something) or could detect some technical aspect, who knows? So I was going to tell Martinez that he should not go see that Colombian.

So I was aware that Martinez was being sought, and I myself told him: Amado Padron and Antonio de la Guardia want to see you. Martinez replied: Why? I (?told him) it was in connection with a Colombian. Martinez said: I have no problems whatsoever. Everything I do—and this (?was said) even by (?Alex) [not further identified]... [Changes thought] I am totally convinced of the things I am doing, of the importance of the things I am doing. I never forget that, because my boss checks at the highest level everything I do. This is what Martinez said, and those are the words he used.

I wish Martinez had the courage to say here in this room that it is not true that he said such a thing. (?but he did say it). [breaths agitatedly]

Those things (?succeeded) not because I pushed them but because Martinez used to go there frequently. One day I heard Eduardo saying in a corridor: Guy, I have the impression that this is at the highest level. But it was a lie because all of us were aware that it was not at the highest level; it was simply a lie with which we sought—in the middle of our own political cowardliness [voice breaks, breathes agitatedly]—to justify ourselves.

[Escalona] Does the accused know whether Martinez also needed that type of justification in order to feel reassured?
[Ruiz Poo] I don't know. Everyone knew his own standing.

[Escalona] Did you share those feelings?
[Ruiz Poo] Yes, I was in that position at the end, but I could actually realize the way the mechanism was working. I realized this, and this is what I told the instructor. It was like a mechanism. It was a repetition. It was a mechanism. The thing was not really the way it appeared to be, and, as I told the instructor, we reached a point where one could no longer say no. Is there anything else to say? There is nothing else to be said. This is shameful. As I told the instructor, this is a situation in which it seems as if I had been recruited, as if I was an enemy [voice breaks, breathes agitatedly].

[Escalona] The accused is not an enemy. [Ruiz Poo breathes agitatedly] In addition to your contact with Martinez, do you know anything about the operations in which he was engaged?

[Unidentified voice] Secretary, have him seen by a doctor. [Ruiz Poo sobbing]

[Escalona] I ask for a few minutes to have the doctor examine him.

[Unidentified voice] Yes, [words indistinct]. [Ruiz Poo continues to breathe agitatedly]

[Escalona] Come on, come on. [background noises, unintelligible voices] Does the accused feel better?
[Ruiz Poo] I would like to make something clear.

[Escalona] Let us go on with the session.
[Ruiz Poo] I did not realize everything at first. I did realize what many of the things were, many of them. The instructor's account must cite the things that I did

recognize little by little. However, most of them I realized from the very beginning. [words indistinc] of the instructor. For example, when I arrived, it was like a mechanism; I wanted to say something, but not tell everything I knew or everything I remembered because, in the midst of all this, I might be framed for something. But you can ask me about the smallest detail, and I will tell you.

[Escalona] [Words indistinct]
[Ruiz Poo] No, because there was something else.

[Escalona] Well, if there is anything else, out with it.
[Ruiz Poo] It is just that I am in the middle of all this trying to steel myself. Excuse me.

[Escalona] That is all right.
[Ruiz Poo] I knew, because at one point I felt [sobs, changes thought] Damn it, the Americans were getting closer...[sobs, changes thought] and he told me: Fidel already knows, and I will tell you something: Fidel has resolved this problem, because he even told me, he even gave me this example about the basketball... [changes thought] And at the end our commander knew everything. He got us out of this mess [hyperventilating]. I even remembered that Tony de la Guardia mentioned that he was part of the commission and that the problem was partially resolved [sobs] because Tony de la Guardia was part of the commission.

[Escalona] You sort of lost your voice for a moment, and we couldn't understand you. You were saying that you thought that the solution was forthcoming, that the problems were going to be resolved. What did you mean? However, you did mention some commission to which Tony de la Guardia belonged. What commissin was that?
[Ruiz Poo] What I mean is that there was trouble in Varadero. Tony was worried about this trouble, and Tony de la Guardia had talked with Amado and with me, and he told us that we had to get our things together, that we had to take all necessary measures because they were after us. That is, they had information. Therefore, he told us that he had decided to set up a commission to investigate these cases, these problems, and that he would be a member of this commission. That is what I knew.

[Escalona] The drug trafficking cases?
[Ruiz Poo] No, the cases in which we were involved: The transmissions and the operations that were taking place around Varadero. We were carrying out these operations. There was nobody else; we were the only ones. [voice rises]

[Escalona] What day was that; do you remember, Miguel?
[Ruiz Poo] I cannot remember what day it was. I was there. It was the day they delivered the suitcase with the money.

[Escalona] Then Tony de la Guardia was a member of the commission that was investigating the transmissions?
[Ruiz Poo] Yes, I would imagine that the top echelons of the ministry [not further identified] are well aware of that.

[Escalona] He was appointed to investigate...
[Ruiz Poo, interrupting] Yes, but I do not think he lasted all that long there because he was replaced shortly thereafter.

[Escalona] Of course.
[Ruiz Poo] Yes, they replaced him, and two new companeros were appointed to this commission. I called Tony to ask him about this, and he told me: relax, relax, take it easy; there is no crisis. He told me that General Furry had called him and told him that there were no problems, that he had even asked him about the amounts that were delivered. I even told Tony de la Guardia, and he can tell me right here whether this is true or false. I told him exactly: Tony, put everything down up to the last kilogram. Do you understand? Because we felt, and I said so, that this was a vice. We felt that we had been caught in it. That is what we felt. It is a completely rotten mechanism. So I told him clearly to put down everything to the last kilogram.

[Escalona] Was Colome's [General Abelardo Colome Ibarra] request made before or after the commission was created?
[Ruiz Poo] After is was created.

[Escalona] After the establishment of the commission was announced?
[Ruiz Poo] Yes, and after he had been removed from it.

[Escalona] After Tony was no longer the head of the MC.
[Ruiz Poo] No, he was still the chief, he was still the chief, but it was after he had been removed. That is, he had been removed from the commission. He told me: Relax, relax...

[Escalona, interrupting] He was a member of the commission, and he got removed but he remained as chief of the MC, of the department?
[Ruiz Poo] Yes, he was still the chief there.

[Escalona] Do you have anything else to say?
[Ruiz Poo] I am perfectly willing to answer any questions. And I want to [words indistinct].

[Escalona] I have no further questions at this time. I have finished, Mr President.

[Espinosa Martin] Accused Ruiz Poo, you will now answer the questions of defense counsel.

[Fernandez Concepcion] My defendant has been quite eloquent and explicit. I have nothing else to clarify with him.

[Espinosa Martin] Right, does any other defense counsel want to ask the accused anything else?

[Unidentified voice] No.

[Espinoza Martin] Does this tribunal want to ask anything? Accused, you may step down. The oral trial is now adjurned until 1500 on Monday, 3 July. [noises, audio problems]

[Caption reads: Miguel Ruiz Poo was summoned again for the 3d session]

[Escalona, in progress] ...trial, almost at midnight. You were in such an emotional condition, so overwrought, that is was very difficult for you to speak and the doctors recommended that the interrogation be discontinued. How do you feel today, accussed?
[Ruiz Poo] Well, much better,

[Escalona] Do you believe that you will be able to answer calmly and coherently?
[Ruiz Poo] I believe so.

[Escalona] Very well accused. At the end of your testimony you said several interesting things but the truth is that we could not understand interesting things but the truth is that we could not understand them very well because of your emotional condition. I have the transcript of your statement and I would like to go over some parts with you. You said that, quote, at the final stage of this operation you met Martinez and the latter told you: I have no problems. I am fully convinced of the things I am doing, of the significance of what I am doing, because everything I am doing, because everything I am doing has been discussed at the highest level, unquote. Later you testified: one day I met Eduardo in the hall and he told me: Chico, I have the impression that this has been approved at the highest level. In fact, you said that this was all a lie. [atmospherics, passage indistinct] ...political cowardice. Were these your words?
[Ruiz Poo] Yes and I could give you more details...

[Escalona] Mr President, I wish to delve deeper in this testimony and I ask that accused Jorge Martinez be brought before the tribunal.

[Espinoza Martinez] Accused, Jorge Martinez. Stand before the tribunal, Poo, take a step to the right. Accused Martinez, you will answer the questions of the prosecutor.

[Escalona] Accused Martinez, is it true that you told accused Ruiz Poo that you were sure that everything you were doing, your chief Ochoa was discussing at the highest level?
[Martinez] Never.

[Escalona] You never heard accused Ochoa saying that all this was being discussed at the highest level.

[Martinez] Never. I ask to be allowed to explain the way I remember things.

[Escalona] I am satisfied with his answer, Mr President.

[Espinoza Martin] You can step down for the time being Martinez.

[Escalona] Mr President, I ask that accused Eduardo Diaz Izquierdo be summoned.

[Espinoza Martin] Eduardo Diaz Izquierdo, stand before the tribunal. Accused Diaz Izquierdo, is it true that you once told accused Ruiz Poo, and I quote: chico, I have the impression that this comes from the highest level?
[Diaz Izquierdo] I have never told him that.

[Escalona] You never told me that?
[Diaz Izquierdo] Never.

[Escalona] Neither did it cross your mind?
[Diaz Izquierdo] Pardon me.

[Escalona] Neither did it cross your mind, ever?
[Diaz Izquierdo] I believe that it did cross my mind several times, and I would like to explain why.

[Escalona] Tell me.
[Diaz Izquierdo] Because of the resources, the means and the facilities that were available to carry out the activities in question, I believed at one point that these activities had been authorized.

[Escalona] Authorized by whom, at what level, at the highest party level?
[Diaz Izquierdo] No, I thought that...

[Escalona, interrupting] Of the government?
[Diaz Izquierdo] No, at least at the level...

[Escalona, interrupting] Of the Interior Minister?
[Diaz Izquierdo] Of the Interior Ministry or of the minister to whom I answer.

[Escalona] Tell me something, if you actually thought that this was known at the highest level, when Tony de la Guardia was arrested on Monday 12 and you received from a boatman a huge amount of dollars on 14 Wednesday, why did you take the money away and hide it instead of going immediately to see the minister [not further indentified] to turn the money over to him and report on everything that was going on? You had almost 2 months after the group was broken up and everyone knew that an investigation was underway. You had more than enough time to report. What you are saying contradicts the attitude you assumed later. Isn't that true?
[Diaz Izquierdo] It is true.

[Escalona] If you had thought that this operation had the support of a high government or high ministry level, once the group got busted didn't that mean that the support was no longer there?
[Diaz Izquierdo] Of course. When what you just said happened I did realize that this was highly irregular.

[Escalona] And you did not think, Eduardo, that even though late, this was the time to report all these evernts.
[Diaz Izquierdo] I have realized it many times since, but I failed to do so out of dishonesty.

[Escalona] I am satisfied with these answers, Mr President.

[Espinoza Martin] Accused Eduardo Diaz, you may step down.

[Escalona] Mr President, can we summon Tony de la Guardia?

[Espinoza Martin] Accused Antonio de la Guardia (Font), stand before the tribunal. Accused Antonio de la Guardia (Font) you will answer the prosecutor's questions.

[Escalona] Accused Tony de la Guardia, do you remember ever telling these subordinates of yours, or leading them to believe that this deal was authorized at the highest level, or at a level above yourself?
[De la Guardia] Never, nor did I hint at it. I have repeatedly told them that I was responsible for this that no one knew about this at any level above me in the Interior Ministry. They know it. I made it very clear. They can say what they want but they... they cannot lie to this court by saying that they had grounds for thinking that I could have told them or hinted to them that this had the approval of the Interior Ministry. I am convinced that none of them can honestly say so.

[Escalona] Accused Eduardo said it.
[De la Guardia] He had no ground for thinking so.

[Escalona] Despite the resources you had available to you...
[De la Guardia, interrupting] No grounds for thinking so.

[Escalona, continues] moving around boats, airplanes...
[De la Guardia, interrupts] No grounds for thinking so, out of the question. From the way they were carrying out the operations, they know that it was not...

[Espinosa Martin] Accused De la Guardia, you may step down. [Escalona] Can we summon accused Ochoa, Mr President?

[Espinoza Martin] Accused Arnaldo Ochoa Sanchez, stand before the tribunal. Ochoa Sanchez, you will answer the questions of the prosecutor.

[Escalona] Accused Ochoa, you have courageously assumed your responsibility for the serious crimes that have been perpetrated. Did you ever lead accused Martinez to believe that this had been authorized at the highest level?
[Ochoa] No. I did not lead him to believe any such thing and Martinez knew that it had not been authorized [word indistinct].

[Escalona] Thank you Mr President.

[Espinoza Martin] Accused Ochoa Sanchez you may step down.

[Escalona] I would like, Mr President, to draw the tribunal's attention to the fact that if this accused and Eduardo had believed—even though Ruiz Poo says that it was all a lie to justify the operation—that this was authorized at the highest level, just imagine what Carlos Escobar must have thought when he saw a captain of the FAR arriving at his farm in Colombia.

Accused Ruiz Poo, you had say, I quote: I realized how my companeros treated me, they addressed me as companero. You mean the companeros of Villa (Marite) who were interrogating you?
[Ruiz Poo] Yes Sir.

[Escalona] I keep quoting you: When I came there I got out and I told the instructor...[changes thought] I went up the staircase, I asked to talk to him and I told him that the only thing that prompted me to speak up was that Cuba could be screwed up. I told him this because at that time I felt that the Americans were on to us and he told me—your instructor did—Fidel already knows and I have a piece of news for you. Fidel has resolved this problem. He even told you, and I quote again: he even gave me this example about a basketball and said that in the end the brillance of our commander had gotten us out of this mess, and that I had to give all the information I had buried in my mind.

You uttered these words under deep emotional stress. Do you remember them?
[Ruiz Poo] I remember them and I feel them.

[Escalona] At what point did you reailize, accused, that you were endangering the country, that it could be scuttled [hundirlo] as you said, and that you had forced the commander in chief to have to cope with this new problem that the revolution was facing.

[Ruiz Poo] I am sad and sorry, but realization came as I began to figure out what was happening to me and as I became aware of the responsibility I had in the...[changes thought] when I started speaking to the companeros and began to see that the whole thing was a disaster, that it was insane. It came when I started thinking about the risks we had created by using methods alien to our system, methods that belong to a more egoistic system to make...[changes thought] believing that we would get rich when in fact we were trampling all over the morals of the Cuban people as a whole. That is when realization came—as I thought more and more about it. Unfortunately I cannot come here and tell you that I realize all this beforehand. No, I became aware of it when I went up...[changes thought] when I realized that I was being arrested by my own comrades, that the very...[changes thought] the people where I was working. It was then and there. I cannot tell you that it happened before; I would be lying if I did. Could we...[trails off]

[Escalona] Do you feel all right?
[Ruiz Poo] I feel all right?

[Escalona] There is a third matter, accused.
[Ruiz Poo] Uh-huh.

[Escalona] Almost at the end of your testimony...
[Ruiz Poo] Uh-huh.

[Escalona] ...still overwrought as you were, and I quote you: I found out in Vardero that there were problems. Tony was worried by the problem, and Tony spoke with Amado Padron and with myself and he told us that we had to get things together because they were after us. Further on, accused Ruiz Poo, you said that when the group was most concerned because you believed that they were after you, Tony called you to say that there were no problems, that there were no problems, that General (Furry) had called him and told him that there were no problems. Do you remember this?
[Ruiz Poo] Yes, but there is something not quite correct. Tony never called the group. Tony de la Guardia never told anyone here that it was all approved at the highest level. Never. I am the man responsible for this, and I can tell you clearly that Antonio de la Guardia never told any of us that this had the approval of the high command. Never. You can rest assured of this. If anyone caught up in this cowardly and unprincipled activity wishes to assuage his conscience, that is something else, but I can assure you that Tony de la Guardia never told me—and it seems that I was first to bring this subject up—he never told me that this came from the highest level. I always felt that this was something that he instructed me to do, that he approved, but that it went no further up.

[Escalona] However, you gave an impression that could confuse the group.
[Ruiz Poo] The impression...

[Escalona, interrupting] It led Eduardo to remark on this fact to you earlier.
[Ruiz Poo] [words indistinct] Eduardo because I am not trying to remind you about Eduardo. It does not have to do with Antonio de la Guardia; it has to do with Martinez, because we are dealing with Martinez now, you see. The thing is that Martinez...

[Escalona, interrupting] Was Martinez the one who was operating at the high level?
[Ruiz Poo] No, Martinez took us to work with his group. First, comrade prosecutor, we did not have any ties with the FAR. How could we possibly believe that the FAR high command was involved. We may have thought about the top level of the ministry [not further identified]. We did not have any links with the FAR. The thing was that Martinez spoke so firmly, so convincingly, with such authority, that he may have led us to believe millions of things. However, he did specifically hint that this was something that came from the highest level.

[Escalona] Amado Padron talked to you about General...
[Ruiz Poo, interrupting] I never believed him.

[Escalona, continuing]... about Army General Abelardo Colome Ibarra?
[Ruiz Poo] I am the one that called up Tony, because I was scared, because I felt that this thing was too big for me. Tony told me [pauses] me, not the group, definitely not the group, only me. I can even tell you precisely where it was. It happened at the corner of 10th and Calzada Streets. My wife was in her car; she had run out of gasoline and I was giving her some gasoline. So, Tony went to this corner, the corner of 10th and Calzada Streets and told me: relax, there are no problems. He told me not to mention it to anybody, but that just so I would stop worrying, he said, companero General (Furry) had called him and asked him to report on the money we had turned over, on how much we had delivered, adding that everything was all right, that I could relax, that there was no need to... [changes thought] that we could all relax. I told him: Tony, please report up to the last cent that we have made. This happened at the corner of 10th and Calzada Streets. There was no group, I was there and I [words indistinct]. No, no, no, there was definitely no group there. He told this to me, to me.

[Escalona] To you?
[Ruiz Poo] Uh-huh.

[Escalona] I suppose that when he told you about the conversation he had with Army General Colome, he was referring to the two talks that Gen Colome held on 30 May and 2 June following instructions of the FAR Minister? The general spoke with the accused Tony and Patricio de la Guardia. The first of these talks took place 12 days before your arrest, and the second was 10 days before your arrest. Those were the only two occassions on which General Colome Ibarra talked with the De la Guardia brothers. The first talk had been requested by Tony and the second by General Colome. Mr President, in view of the significance of this situation, I ask that the accused Tony and Patricio de la Guardia be called before the tribunal.

[Espinoza Martin] Antonio de la Guardia, take one step to the right. Accused Patricio de la Guardia, stand before the tribunal. Accused Patricio de la Guardia (Font), the law gives you the right to testify or refrain from doing so. Do you wish to testify?
[Patricio de la Guardia] I wish to testify.

[Espinoza Martin] You will answer the prosecutor's questions.

[Escalona] Accused Antonio de la Guardia, when you asked to meet with Gen Colome Ibarra you had already been replaced at the MC. The MININT had met 1 month earlier to discuss the need to investigate possible drug trafficking operations, and you—as we now know—had already suspended the operations. Tell us honestly, why did you ask to meet with Gen Colome Ibarra?
[Tony de la Guardia] The truth is that Patricio told me: Talk to (Furry) and explain to him all about our involvement in the operations that were being carried out in Africa and some details of this other operation. Since he had returned, I mean Gen Ochoa had returned, Patricio was worried that all these operations in Africa were tied to (?their) return from there. So I asked General (Furry) to meet with him for a talk. That was the first meeting.

[Escalona] Accused Patricio de la Guardia, why Colome.
[Patricio de la Guardia] I wanted to talk with Gen Colome because one of the operations, that is the one involving the C-130 that had raised some dust in Luanda, because it was depicted as having great significance for the Armed Forces and in fact the Armed Forces had nothing to do with it. I wanted to explain to Gen Colome about the meeting that I held in Luanda before leaving with Colonel Jose Maria [not further identified] and with the secretary of the president [not further identified] and tell him that the FAR had nothing to do with it. So I just wanted to give him an explanation of the operation involving the planes and also tell him about the real situation in Angola.

[Escalona] Accused Antonio de la Guardia, which of your enterprises was involved in the purchase of the planes?
[Tony de la Guardia] Pardon me.

[Escalona] Which of your enterprises was involved in the purchase of the planes?
[Tony de la Guardia] None, none of our enterprises.

[Escalona] [Question indistinct]
[Tony de la Guardia] The enterprises belonged to the trader, the one who was negotiating the purchase...[changes thought] that is, Cuba would bring... [changes thought] that is, I had no companies that could handle this type of operation.

[Escalona] Could either of the two accused answer this question: What does Gen Colome have to do with this business?
[Tony de la Guardia] Nothing at all.

[Escalona] Had Colome ever given any instructions about company operations of any sort?
[Tony de la Guardia] None at all.

[Escalona] Have you ever supplied the MINFAR with funds from the profits of your companies?
[Tony de la Guardia] No funds at all.

[Escalona] Then why bring Colome into this?
[Tony de la Guardia] Because of the alleged involvement of Patricio and Gen Ochoa in the Angolan business when in fact they were not responsible for that at all. I was responsible for the effects of the Angolan operation [words indistinct] having (?sent) a message there and having launched the planes' deal.

[Escalona] Comrade President, Comrade Members of the tribunal, it is true that the accused Tony and Patricio de la Guardia spoke on 30 June with Gen Colome Ibarra under the pretext [words indistinct] the affair involving the purchase of planes for Angola. I have here the recording and the transcription of everyhing that was said that day. It was clearly stated by Gen Colome Ibarra, however, we must bear in mind that on 30 May the MINFAR minister had met on 29 May with the accused Arnaldo Ochoa for more than 3 hours. Gen Colome Ibarra and Gen Ulisses Rosales, [First Vice Minister of the MINFAR, Division General Ulises Rosales del Toro] were present at that meeting. You were about to be arrested. My question is: Was there any point at that time to go on talking about the MINFAR, about commissions, about operations, about the planes, and so forth?

[Tony de la Guardia] No.

[Escalona] Why don't you tell the truth? Why don't you say that you were really trying to find out about your personal situation?
[Tony de la Guardia] No, I wasn't really aware of the fact that I was going to be arrested. I frankly did not know that I was going to be arrested, but...

[Escalona, interrupting] Do you remember that 2 days after the first meeting that Gen Abelardo Colome Ibarra [words indistinct]. Do you remember the questions that (?this gentleman asked you)? What did those questions refer to?
[Patricio de la Guardia] The questions referred to the business that Ochoa and I had in Angola, to the ivory business. I believe that Gen Colome was giving us a chance to say everything we had to say.

[Escalona] Did you do that?
[Patricio de la Guardia] We lacked the courage that a revolutionary should have in admitting his own mistakes, so we did not say anything.

[Escalona] Mr President, I do not think the accused remember the questions that Gen Colome put to them accurately. The questions were prepared by the minister of FAR. I have the next of the questions here. I also have a recorded version and a written transcript of the second meeting with Gen Colome. I will read the questions in order to refresh the accused's memory and in order to inform the tribunal.

How did the FAR and the MININT mission in Angola become involved with the business deals?

Who planned such involvement?

What products were used for the commercial operations performed by the FAR and the MININT missions and by Tony de la Guardia?

Who was the foreigner who contacted Gen Ochoa and Gen Patricio [not further identified]?

What kind of support was provided by Tony de la Guardia to the stores under PAR control... [pauses] under military mission control? Explain whether the containers were sent from Panama.

What was the procedure used for the ivory transaction between the FAR military mission and Tony de la Guardia?

What were the activities performed with (?Eliodoro de la Uneca) in Punta Negra?

How was the diamond purchase deal planned?

How many operations were performed with the participation of FAR members?

What was Tony de la Guardia's plan for buying crude oil in Angola? What was the FAR chief role in connection with Angolan President Eduardo dos Santos, and what were the specific accomplishments in this regard?

As you can see, fellow tribunal members, we cannot understand how, after these clear and precise questions about facts that were being investigated, the accused Tony de la Guardia could have remained calm or could have tried to calm some of his subordinates.

To me the issue is clear and I hereby end the questioning of the accused.

[Espinosa Martin] The accused Antonio and Patricio de de la Guardia may leave.
[Escalona] Mr President, I could not understand Ruiz Poo's final words because he was very emotional during the previous session. I have no other questions to ask him.

[Espinosa Martin] Does the defense counsel want to ask any question of the accused Ruiz Poo?
[Fernandez Concepcion] Yes.

[Espinosa Martin] The accused Ruiz Poo shall now answer questions from the defense attorney.

[Fernandez Concepcion] What is your opinion of all these facts? I did not ask you this question before because of your physical condition.

[Ruiz Poo] I have thought about all these mistakes and I feel a bit like I am mainly responsible. I am the youngest person involved; therefore, I should have been more clearly aware of the lessons taught by the Cuban Revolution and the Cuban people, like the firm determination to be permanently on guard against the false ideals of obtaining material earnings. I believe I have the greatest responsibility. It is still unbelievable. The only possible explanation is an extremely serious collapse of moral principles. I don't think that this has been the result of a sudden impulse, and I still wonder why it happened. It is impossible that after making a contact 1 day, as of that day ... [changes thought] and that I should not have resisted, and that everything should have happened all of a sudden. There must be an explanation. There must have been some previous errors that I cannot identify.

The only thing that I could do was to reflect on the many mistakes I made. From the very 1st day, I have tried to report things as clearly as possible. I have tried to do something about the great harm that I caused. I have tried to struggle, [words indistinct] so that this may turn into a lesson, and so that at least I may feel at peace with myself because I said everything and because this will be a lesson for everyone.

What feelings can a person like me, who was virtually born inside the Interior Ministry, harbor now?

The only thing I expect now is that the strictest punishment will be imposed on a revolutionary who indulged in this type of weakness. Believe me when I say that I have thought about all the possible punishments, and I believe that the strongest punishment should be imposed to correct all such mistakes.

I want to say [breathes deeply] that even if the tribunal sentences me to death, I will accept it with the courage that I lacked in the past. Deep in my soul [sobs] I will keep these people, the MININT, the FAR, and Fidel. [weeps]

[Espinosa Martin] Does the defense attorney have anything else to say? Does any other defense attorney have anything to say?

Miguel Ruiz Poo, you may leave now.

Castro Tours Hotel Construction Site in Havana

FL1407015189 Havana Television Service in Spanish 0000 GMT 14 Jul 89

[Text] Commander in Chief Fidel Castro visited this morning some important projects under construction in this capital. First, accompanied by Candido Palmero, chief of the Blas Roca Calderio Contingent, he visited the ground breaking being carried out at the special markets [mercados concentradores] in various parts of the city. Afterward, he toured the projects for the Pan-American games. Finally, he visited the construction site for the Hotel Cohiba which is being built by Brigade No 5 of the Blas Roca Contingent.

During his visit to the hotel construction site, Fidel expressed interest in the progress of the work and its quality. He also conversed with the workers who are part of this important construction force in the country.

[Begin recording] [Unidentified speaker No 1] Just one more foundation needs to be done and we will be able to finish this 15 days ahead of schedule. We will finish it prior to our promised date of 26 July.

[Castro] What are does this foundation cover?

[Unidentified speaker No 1] It goes all the way over there. It meets the last one over there.

[Unidentified speaker No 2] Commander, it goes all the way to where you can see the other foundation. [Words indistinct] from this corner.

[Unidentified speaker No 1] With this, the foundations for the Cohiba Hotel are finished.

[Castro] What are those thick reinforcement rods?

[Unidentified speaker No 3] Those are the 32 mm steel rods, In other words the 1 and ¼ inch rods.

[Castro] They are 1 and ¼ inch rods. Why is it that some of the ones you have there are thicker?

[Unidentified speaker No. 3] The thicker ones are the ones that will hold the heaviest weight. Those are the ones that are always in the columns. They are in the columns that are used in the elevating tower [torre elevadora].

[Castro] How were you able to put so many rods there? How do you do that? Are they prefabricated, or do you install there them yourselves?

[Unidentified speaker No. 3] No, we install them ourselves. When we made our calculations, we realized we needed 28 rod installers for each shift, 28 for shift A and 28 for shift B. Before we only had rod installers for shift A, we did not have them for the B shift. Right now, we have three installers...[rephrases] It is embarrassing to see all the people we now have here. We are all assistants and we are working very hard. The women have done a job that it is simply indescribable.

[Unidentified woman] You know that we are very hurt by the recent events. However, I would like you to know that, here, you have a force which supports you in everything. You have a collective of workers who represent the working class of this country, and we are working hard each day to thrust forward—in which you have worked for so many years—this construction of socialism. Here we are, commander. [video shows Castro giving the woman a hug]

[Castro] There is something....

[Workers, interrupting] Long live Fidel! Viva! [applause]

[Castro] I have had to spend 31 or more days in this, over 4 weeks. I was telling Palmero that I couldn't even remember the number of the brigades.

[Unidentified woman] We are brigade No. 5, and here we are for anything [you desire].

[Unidentified speaker No. 4] We realized that in all the hours you had to work on this, one day you worked 14 hours; and we said: You worked just like a contingent worker.

[Castro] Yes, and everyday [I worked like that]

[Unidentified speaker No. 5] I was telling the commander in chief, and now I will tell him in front of you, that we have been abreast of all the details. Each brigade unanimously agreed to support, from the very beginning, everything that was said [by you].

[Castro] Yes, I spoke about the contingents and I said that there is no similarity between those people and you.

[Unidentified woman] Yes, commander, we were very proud to hear you say that.

[Unidentified speaker No. 6] Furthermore, commander, we, the youth of the (?scholarship group) No. 50, we firmly continue in the [word indistinct].

[Castro] Everything must continue; I know nothing will stop (?us).

[Unidentified speaker No. 6, interrupting] [Word indistinct] We have to work. [As Castro is shown going toward car and leaving, crowd shouts: Long live Fidel! Viva! Workers applaud] [end recording]

Fidel, Raul Castro Congratulate Youths

FL1307153889 Havana Tele-Rebelde Network in Spanish 1100 GMT 13 Jul 89

[Text] Carlos Aldana, secretary of the Central Committee of the Communist Party of Cuba, has conveyed greetings from Fidel and Raul to the delegation that represented us at the 13th World Festival of Youths and Students.

During the meeting between the Cuban delegation that attended the youth event and the party official, stories and experiences were exchanged on events that occurred in Pyongyang, DPRK, [words indistinct] 8 July. While in

Pyongyang, the Cuban delegates received constant demonstrations of solidarity from the Korean people and the delegations attending the youth festival.

Raul Castro Bestows Medal Upon Ethiopian General

FL1307185089 Havana Tele-Rebelde in Spanish 1700 GMT 13 Jul 89

[Text] Army General Raul Castro Ruz, minister of the FAR [Revolutionary Armed Forces], bestowed the Solidarity Order upon Ethiopian Brigadier General (Legese Tefera) who played an outstanding role in the Ethiopian war against Somalia.

(Tefera) was imprisoned for 11 years in Somalia until he was released in August 1988. Upon returning to his fatherland, he was promoted to the military rank he now has and Ethiopian President Mengistu Haile Mariam presented him with the Medal of Valor and the Hero of Ethiopia medal.

The ceremony for the presentation of the Solidarity Order was held in the Granma Hall of the FAR Ministry.

Jorge Risquet Receives Libyan Official

FL1407024089 Havana Television Service in Spanish 0000 GMT 14 Jul 89

[Text] Jorge Risquet Valdes, secretary of the Communist Party of Cuba Central Committee and Politburo member, has received Ibrahim Bukhizam, assistant secretary general [title as received] of the General People's Congress of Libya, who conveyed a message from Libyan leader Colonel Mu'ammar al-Qadhdhafi to the Commander in Chief Fidel Castro.

During the meeting, which was held in a warm and friendly atmosphere, information on the two countries was exchanged; and the high level of bilateral relations was verified. The two parties analyzed the international situation. They also expressed the same viewpoint regarding the struggle for peace and disarmament as a main factor in the development of the Third World.

Risquet and Ibrahim Bukhizam expressed the desire to continue increasing the cooperation ties which exist between Cuba and Libya.

Rodriguez Receives Ethiopian, Venezuelan Ambassadors

FL1407021189 Havana Television Service in Spanish 0000 GMT 14 Jul 89

[Text] Carlos Rafael Rodriguez, vice president of the Council of State, received this morning in solemn audience Mr (Abebe Belaime) who presented credentials accrediting him as extraordinary and plenipotentiary ambassador of the People's Democratic Republic of Ethiopia. The Ethiopian ambassador was accompanied by other diplomatic corps officials of that country in Cuba.

The Cuban vice president also welcomed in a solemn audience Mrs Maria Clemencia Lopez Ramirez [name as heard] who presented her credentials as extraordinary and plenipotentiary ambassador from the Republic of Venezuela.

Cuban Foreign Minister Isidoro Malmierca participated in the two ceremonies. Once the meetings had concluded, the ambassadors placed flower wreaths at the foot of the Jose Marti Monument.

Over 140 Internationalists Return From Angola

FL1307155989 Havana Tele-Rebelde Network in Spanish 1100 GMT 13 Jul 89

[Excerpts] More than 140 internationalist combatants arrived in our country last night from the People's Republic of Angola. They were met at the airport by Rosa Elena Simeon, alternate member of the Politburo of the Communist Party of Cuba; as well as representatives from the FAR [Revolutionary Armed Forces], MININT [Interior Ministry], and mass organizations.

This new group of combatants returns after writing another glorious page of proletariat internationalism with its heroic actions. The combatants have all arrived with anecdotes, but perhaps two of them stand out. One of these internationalists wears the Ernesto Che Guevara Medal and the other wears the Calixto Garcia Medal. These medals were awarded for participating in important combat activities. [passage omitted]

* Cubans Assist With Electrification in Nicaragua

32480178 Havana GRANMA in Spanish 13 June 89 p 2

[Text] A brigade of Cuban linemen has left for Bluefields, Nicaragua. They will remain there until 1990 in order to bring electricity to the 1,000 housing units donated by Cuba to this region which was severely damaged by hurricane Joan in October 1988.

In providing this information, Lidio Ramon, assistant director of Union Electrica, emphasized that the collective will bring all the technical and support equipment needed to do the job, such as transformers, conductors, cables, and meters.

He said the brigade is composed of five experienced men from the provinces of Camaguey, Santiago de Cuba, Granma, Villa Clara and Matanzas.

The linemen will help with the electrification of all the housing units being built there by the 300 members of the Jose Marti contingent. This is part of a plan to provide buildings which are ready for occupancy, that is, with all the necessary work in each dwelling completed.

Police Thwart Illegal Sale of Paintings

FL1307161289 Havana Tele-Rebelde Network in Spanish 1100 GMT 13 Jul 89

[Text] Ten paintings by Rene Portocarrero, Cundo Bermudez, and other Cuban and foreign artists, as well as a bronze sculpture from the 19th century, were confiscated from Guillermo Elias Victor by the National Department of Criminal Investigations of the PNR [National Revolutionary Police]. Elias Victor had attained these paintings illegally for the purpose of selling them to foreigners. The National Registry of Cultural Patrimony assessed the value of the paintings to be about $100,000.

Elias Victor will soon appear before the tribunals for the crimes he committed.

Comparison of 'Special Military Tribunal'

Havana Television Cubana Network in Spanish at 0030 GMT on 2 July carries a recorded version of the 1st session of Arnaldo Ochoa Sanchez's military court-martial. The Havana Television Cubana Network version has been compared to the Havana Cubavision Television Spanish version published in the 6 July Latin America DAILY REPORT, page 1, column 1, was found to identical except for the following variations:

Page one, column two, paragraph seven, reads:...trafficking, that was toward the end of 1987. [new graf]

[Escalona]...(supplying words indistinct)

Page two, column one, paragraph seven, reads:...allow him to continue? [new graf]

[Ochoa] Yes, certainly...(supplying words indistinct)

Page three, column one, paragraph three, reads:...his group? [new graf]

[Ochoa] That would not yield anything. That is just...(supplying words indistinct)

Page three, column one, paragraph four, reads:...There was no money in it? [new graf]

[Ochoa] No. [new graf]

[Escalona]...(supplying words indistinct)

Page three, column one, paragraph seventeen, reads:...they? [new graf]

[Ochoa] The, this is to say, they are the ones who...(supplying words indistinct and alternate wording)

Page four, column one, paragraph six, last sentence reads:...using it for something else. That was when...(supplying words indistinct)

Page four, column one, paragraph fifteen, reads:...No, no. [new graf]

[Escalona] With what objective? To gain interests?...(supplying words indistinct)

Page nine, column one, paragraph eleven, reads:...lack of discipline, and violations of everything established by the FAR. [new graf]

[Ochoa] Yes. I...(supplying words indistinct, rewording)

Page eleven, column one, paragraph nine, reads:...remains my position. Of course, the responsibility we see things with today is not the same as when we first began, right? They are different...(providing words indistinct)

Page eleven, column two, paragraph five, reads:...in the political order of a revolutionary. [new graf]

[Ochoa] I can...(supplying words indistinct)

Page thirteen, column two, paragraph thirteen, last sentence reads:...what happened with the diamond transactions and that is why the diamond part did not work. [new graf]

[Gonzalez] Look, regarding...(providing words indistinct)

Page fourteen, column one, paragraph eleven, last sentence, reads:... included in the whole sum. [new graf]

[Escalona] Is it?...(providing words indistinct and rewording)

Page fourteen, column one, paragraph nineteen, reads:...Panama? [new graf]

[Ochoa] Yes. They were sold for almost nothing. [new graf]

[Escalona] Ochoa, there...(providing words indistinct)

Page fourteen, column two, paragraph five, reads:...days ago? Because I have cleared my head of many things now. [new graf]

[Escalona, interrupting] It...(providing words indistinct, rewording)

Page fifteen, column one, third paragraph, second sentence reads:...you just mentioned, perhaps out of fear that the foreigner could have...(supplying words indistinct, rewording)

Page fifteen, column two, paragraph one, reads:...was excellent. [new graf]

[Escalona] Mr president, that is all. [new graf]

[Espinosa] Ochoa, do...(supplying words indistinct)

Page sixteen, column one, paragraph twenty-five, last sentence, reads:...he do that? I did not understand your response. [new graf]

[Martinez Valdez]...(supplying words indistinct)

Page sixteen, column two, paragraph one, reads:...had given him 120,900, and he only...(changing "120,000" to read "120,900")

Page sixteen, column two, paragraph two, reads:...$75,000. [new graf]

[Escalona] Because the arms business was not resolved. [new graf]

[Martinez Valdez] Because the...(supplying words indistinct)

Page eighteen, column two, paragraph ten, reads:...field assistant was Colonel Antonio. [new graf]

[Escalona] What was...(providing indistinct name)

Page twenty-one, column two, paragraph ten, reads:...there? [new graf]

[Martinez Valdez] Where he... [changes thought] Ah, ah, in, in Angola. [new graf]

[Escalona] Angola. Did...(clearing words indistinct)

Page twenty-two, column one, paragraph fourteen, last sentence reads:...Ochoa was already in the People's Republic of Angola. [new graf)

[Escalona] How did...(supplying words indistinct, rewording)

Page twenty-three, column two, paragraph five to end of paragraph seven, reads:...the middle of a field. [new graf]

[Escalona] With whom did you meet there? [new graf]

[Martinez Valdez] With, ah, with Garcia. [new graf]

[Escalona] What was...(supplying words indistinct, rewording)

Page twenty-six, column one, first paragraph, first sentence reads:...never supervised Amelio, Rafelito—as you have stated—or other people....(supplying indistinct name)

Page twenty-six, column one, paragraph twenty-one, reads:...a financier? [new graf]

[Rodriguez] I gave it to... [changes thought] The comrade has it. [new graf]

[Escalona] How much...(providing indistinct words)

Page twenty-six, column one, paragraph twenty-six, reads:...[Rodriguez] Dollars. [new graf]

[Escalona] $17,190. [new graf]

[Rodriguez] Yes. If...(changing "$7,190" to read "$17,190")

Page twenty-eight, column one, paragraph twenty, reads:...office—dollars, kwanzas, anything? [new graf]

[Rodriguez] No. [new graf]

[Aymeriche]...(supplying indistinct word)

Page twenty-eight, column two, paragraph nine, reads:...sugar, meat, and wheat flour operations, did...(changing "corn" to read "wheat")

Page twenty-eight, column two, paragraph fifteen, first sentence, reads:...comrade prosecutor said, I did not even alert the chief of the mission; me, who used to work...(supplying indistinct words, rewording)

Haiti

No Incidents Reported at Delpe Funeral

FL1307190489 Port-au-Prince Radio Metropole in French 2200 GMT 12 Jul 89

[Excerpt] The funeral of 26-year-old Gregory Delpe, an engineer and a teacher, was held at 1600 today at Sacre Coeur Church in the Turgeau section of Port-au-Prince. There was an impressively big crowd. In the front ranks of the crowd one could see the relatives of the deceased, as well as political leaders. Among them were Marc Bazin of the MIDH [Movement for the Establishment of Democracy in Haiti] and Hubert de Ronceray of the MDN [Mobilization for National Development].

Our reporter on the scene also noticed a no-less-impressive military presence in the vicinity of Sacre Coeur Church this afternoon. [sentence as heard]

There were no incidents reported during the funeral which was attended by several hundred young classmates of Gregory Delpe. [passage omitted]

Newspapers Discuss Soleil Crisis, U.S. Report

FL1307161089 Port-au-Prince Radio Metropole in French 1600 GMT 10 Jul 89

[Press Review]

[Excerpts] The Radio Soleil affair is on the front page of the main papers edited in the United States again this week.

HAITI-PROGRESS sees repression in the bishops' intervention—repression against freedom of the press and just plain old repression, as evidenced by the serious threats against Venel Remarais last 1 July. HAITI-PROGRESS stresses that with the gagging of Radio Soleil, the government now feels it has some elbow room and considers that it no longer needs to put itself out, since the bishops are actively collaborating in repressing freedom of speech.

HAITI EN MARCHE sees in the Radio Soleil affair the pursuance of the plan to eliminate the church of the poor.

HAITI-OBSERVATEUR feels that since the arrival of a new management team, the crisis at Radio Soleil has reached a point of no return. The bishops have begun a movement to take back in hand the radio station, which through the different stands it has taken on political matters belongs in the progressive sector of Haitian Catholicism. The paper feels nothing will ever be the same again at Radio Soleil.

The periodical BALANCE also carries a headline reading: "An Eclipse of the Sun." The masks have been dropped and the truth is displayed in all its nakedness. The time for the dialogue that the Haitian bishops preached about after 7 February 1986 is over. Honeyed words have given way to actions bitter as bile, and arbitrariness is becoming the Bishops Conference's favorite weapon. Radio Soleil has been transformed into a Radio Tenebres. Stuffed under the bishops' cassocks, how could things be any other way?

Clifford Larose writes in BALANCE that by taking the microphone away from the journalists, the bishops are harming freedom of expression, the Haitian people's only acquisition since 7 Februrary 1986.

HAITI EN MARCHE this week also carries a letter by former U.S. Ambassador to Haiti Ernest H. Preeg addressed to General Prosper Avril which appeared in the greater American press. Ambassador Preeg feels elections should be held in Haiti within a few months—at the end of the year at the latest—under international supervision. He feels this is the only valid way out of Haiti's political crisis and economic dilapidation. [passage omitted] The former ambassador to Haiti asks the elements of the former regime to abandon any dreams they may have of reconstructing a Duvalierist government, which because of its legacy of violence and corruption cannot constitute a credible foundation for a democratic government in Haiti.

Two weeklies this week discuss at length a certain report by a two-member American mission to Haiti made up of Francine Marshall and Stephen Horblitt. [passage omitted] HAITI EN MARCHE says that the U.S. Administration is pushing Gen Avril to organize elections, apparently against his will. The position of the U.S. Embassy in Port-au-Prince is allegedly elections at any price, a position considered unrealistic and dangerous by Marshall and Horblitt.

In LE PETIT SAMEDI SOIR, Yves Germain Joseph does his utmost to reply to statements made by Gen Avril during his interview over National Haitian Television regarding this document. The LE PETIT SAMEDI SOIR headline reads: "The Report Is Not a Tract, General." The periodical does not guarantee that the statements in the report allegedly made by Gen Avril were indeed made by Avril. However, the periodical does guarantee the authenticity of the document, published in the "Congressional Record." Joseph writes: Besides, one does not protest against a tract; and until the Prosper Avril government denies the statements in the report, the document constitutes a threat to the national sovereignty.

In this same latest issue of LE PETIT SAMEDI SOIR, Myrtho Bonhomme writes (?her) second open letter to the U.S. ambassador to Haiti. The former adviser to the Haitian Embassy in Washington asks Brunson McKinley to use his talents as a negotiator to help us get out of the current impasse.

Finally, three of the weeklies from last weekend comment on the drivers strike. [passage omitted]

Statement Issued

FL1307161989 Port-au-Prince Radio Haiti-Inter in Creole 1000 GMT 12 Jul 89

[Statement read by unidentified speaker]

[Excerpt] [Begin recording] Gregory Delpe, 8 November 1962-6 July 1989, student, staunch militant. A homage: You fell to the bullets of the thugs, but you did not die in vain. Your blood is as cement, binding the students (?and) the Haitian masses that are struggling to put an end to this kind of thing. Because there must be an end to this kind of thing!

Feneh [National Federation of Haitian Students] says there must be an end to this kind of thing. It invites all students to Gregory's funeral, which is to be held Wednesday afternoon, at 1600, at Sacre Coeur Church.

A last homage to a staunch student militant. [end recording] [music]

[Announcer] However, there appears to be a hitch in the plans for the funeral, because the public prosecutor had refused to release the body of Gregory Delpe, even after an autopsy was performed on it. [passage omitted]

Dominican Republic

Doctors Threaten To Withhold Emergency Services

FL1307150689 Bonaire Trans World Radio English 1130 GMT 13 Jul 89

[Text] Government doctors on strike in the Dominican Republic have threatened to stop providing emergency services tomorrow if their demands are not met. The doctors of the state hospitals and social security are calling for a two-fold increase in their salaries and improved fringe benefits. The new minister of health says the government cannot afford the demands and that emergency services would be provided even if the doctors carry out their threat.

Costa Rica

Commission Investigates Money Laundering

PA1407012789 San Jose LA NACION in Spanish 7 Jul 89 p 5-A

[By LA NACION Staff Writer Armando Mayorga]

[Text] The Assembly Commission investigating drug trafficking has confirmed Costa Rica is being used for money laundering. Among other things, the commission discovered that construction companies and financial enterprises are linked to drug deals, Social Christian Deputy Oscar Avila Sole reported yesterday.

This is also influencing the amount of U.S. currency in the country because, despite the big deficit in the balance of payments ($150 million—12.77 billion colons at the current exchange rate) "it is impossible for the Central Bank to have the quantity of foreign exchange it currently has," Avila Sole said.

Avila Sole announced that to prevent money laundering, the commission will recommend a law to force customers to justify bank deposits exceeding $10,000, as is currently required in the United States. The proposed bill is still being drafted and will be incorporated into the new anti-narcotics law in light of the difficulties in changing the Central Bank statutes, Avila Sole explained.

[National Liberation Party] Deputy Alberto Fait Lizano, who is also a member of the investigation commission, said the commission will also propose an investigation of the foreign aid given to local political parties. Fait Lizano and Luis Fishman, Social Christian Party commission member, believe contributions by foreigners should be "prohibited." Although the Constitution prevents it, "this has never been complied with at all," and there is no penalty for this, Fishman said. He added that the proposed bill should prevent political parties from receiving contributions through front men.

Avila Sole seemed confident that the report the commission will present on 15 July will be unanimously approved by the Assembly. He told LA NACION that the Judicial Investigation Agency is currently conducting investigations of "various" construction companies and financial enterprises involved in money-laundering operations.

Construction companies often sell properties at prices that have no relation to the real cost of the property. "They certainly lose money but get the dollars laundered in the process," Avila Sole said. With this method, he explained, money launderers incur losses of approximately 10 percent on each dollar. However, if they were to launder these dollars in cash, they would have to pay a 30-percent commission, according to the reports the commission has obtained.

Avila Sole characterized the meddling of drug traffickers in our country as "very serious" and noted that money laundering in the country began about 8 years ago. It has been "growing because, to a certain extent, drug traffickers have not been punished."

He believes most of the enterprises involved in drug deals are foreign companies, and some of them are registered in Panama, where laws are "very favorable" for attorneys to set up corporations that they sell later on, leaving no record of the true owners.

In addition to this system, he added, the traditional system has also been used: dollars illegally brought into the country are deposited in bank accounts and are then transferred to accounts abroad.

El Salvador

Cristiani on Nicaraguan, Cuban Aid to FMLN

PA1407032789 San Salvador LA PRENSA GRAFICA in Spanish 13 Jul 89 pp 3, 33

[Text] Yesterday, President Alfredo Cristiani Burkard held a news conference at the presidential house, where he stated:

The dialogue issue must be taken out of a political context, as was done concerning the dispute with Honduras. It must be considered a purely national issue.

I will present to the Central American presidents evidence of the military and logistical support that Nicaragua, Cuba and "other communist satellite countries" give to the Farabundo Marti National Liberation Front [FMLN].

The reporters asked about the FMLN's attitude regarding "a dialogue with the government," and the president said: "We cannot twist their arms to get them to hold a dialogue. If they really want peace, they must adopt positions without prejudice. They did not expect us to agree to a dialogue, but if they agreed to talk with the previous government, they can also talk with us. However, they have only proven that they are not interested in solving the conflict."

Cristiani said: "I definitely believe that the FMLN cannot achieve a military victory. Even though they want to pressure us into resorting to violence, we clearly know that the Salvadoran people are clamoring for, hoping for, and demanding a peaceful solution to the war."

President Cristiani added: "I want to issue an appeal to the political parties to work together, without excluding anyone, in order to attain the peace that the Salvadoran people want so much."

"My appeal to the political parties about the people's hope for peace is that we should work as hard as we did in the dispute with Honduras. The dispute was taken out of a political context and the same can be done with the dialogue. It should be taken out of a political context, and we should work on the dialogue in a real national effort to achieve peace in our homeland," he stated.

"I will give the Central American presidents clear evidence of the interference of Cuba, Nicaragua, and other communist satellite countries. We will present evidence of the arsenals that were seized from the FMLN, which were sent from Nicaragua and those other countries. Also, we will present statements by FMLN leaders, who say that they receive the support that Nicaragua denies it sends, and evidence on how these Soviet-made weapons and ammunition entered the country," the president stated.

The president of the Republic also said that his administration is analyzing several measures in the revenue sector. He said that only people who earn a salary and other responsible people are currently paying their taxes, and the government is studying ways to get everyone to pay their taxes without exception—making adjustments for those who do not earn much, of course.

The government found the state's coffers empty, but it will return those taxes in services to the citizenry. We will use the national budget wisely, and we are honestly fighting all the forms of corruption that the people have rejected, he added.

Cristiani also said: We are working hard and we hope that all Salvadorans participate in these efforts to reactivate our economy, improve social conditions, and achieve the peace that our people want so much in a free, secure, honest, and legal way, President Alfredo Cristiani said.

Salvadoran Peace Group Holds Talks in Panama

FMLN Receives Dialogue Proposal

PA1307194689 Panama City ACAN in Spanish 1817 GMT 13 Jul 89

[Text] Panama City, 13 Jul (ACAN-EFE)—Today in Panama, a committee of more than 60 Salvadoran civic groups delivered to the Salvadoran guerrillas a document containing a platform for a dialogue in El Salvador, including measures to revive the Salvadoran economy.

Reverend Edgar Palacios, coordinator of the Permanent Committee for the National Debate on Peace [CPDN], handed the proposal to Commander Francisco Jovel [Commander Roberto Roca], one of the five members of the Farabundo Marti National Liberation Front's (FMLN) General Command.

According to a communique signed by Palacios and Jovel, the FMLN stated its conviction that Salvadoran President Alfredo Cristiani's administration "lacks the resolve" to hold a true dialogue to end the Salvadoran conflict, which has lasted nearly a decade. However, they insisted on the need to intensify efforts to reach a negotiated solution to the conflict.

During a news conference, Jovel said that all Salvadorans want peace but rejected the notion that the initiative proposed by Cristiani could end the war because it seeks the rebels' "surrender." "Cristiani fails to take into account the real correlation of forces, and we maintain that any negotiation must take that correlation into account," Jovel told ACAN-EFE.

Meanwhile, Palacios said that all segments of Salvadoran society must participate in a dialogue, which should include discussions on economic reforms to eradicate the causes that brought about this war, which has claimed more than 70,000 lives in the past 9 years.

The committee is made up of 62 teacher groups, religious groups of all denominations, and university groups. Palacios pointed out that the CPDN has forwarded this dialogue proposal to the Salvadoran Government, Legislative Assembly, and political parties.

More on Peace Proposal

PA1407014889 Panama City Televisora Nacional in Spanish 2348 GMT 13 Jul 89

[Text] Following 2 days of meetings in Panama, the Permanent Committee for a National Debate for Peace in El Salvador delivered to the FMLN its political program for peace in that country.

According to the committee's general coordinator, Reverend Edgardo Palacios, this platform expresses the Salvadoran people's aspirations for peace through a dialogue and political negotiations.

The political platform was received by Francisco Jovel, a representative of the FMLN General Command. Jovel said:

[Begin recording] We receive and welcome this product of 1 year of work that the committee you represent has carried out in order to propose a political solution to the war in El Salvador. The FMLN is also interested in this endeavor. The fact that we have been able to hold discussions based on this document represents a landmark in the political search for peace in our country. [end recording]

The Permanent Committee for a National Debate for Peace in El Salvador does not represent any Salvadoran political party. It is composed of 76 social organizations from all the Salvadoran sectors, Reverend Palacios said. Palacios added that the political platform will be presented also to Dr Guillermo Ungo [leader of the Popular Social Christian Movement], to all the political parties in El Salvador, and to the presidents of state organizations.

The platform calls for the following:

[Begin Palacios recording] After consulting with the various social sectors, we have noted that in El Salvador there are neither winners nor losers, but the Salvadoran people are suffering as a result of violence. We are basing our proposals on the positions stated by the government, the armed forces, and the FMLN, that they want to serve the people. Let them serve the people the way the people want to be served, that is, by ending the war through political dialogue and negotiations.

In the platform, we state that for there to be a firm and lasting peace in El Salvador, it is necessary to eradicate the causes of the war. These causes are of a structural nature with social, economic, and political consequences. We propose in the platform that these causes be considered in the negotiations. We propose a direct dialogue between the conflicting parties. We believe that the social forces and the political parties, which are political forces, should promote conditions so that the FMLN and the government can negotiate.

We have assumed an independent position with regard to the two parties. In solidarity with the people, as a social force, and as members of a civic society, we demand that they each consider our positions on social, economic, and political matters. We are saying that there must be a search for a general solution to the national problem and that the first of the agreements should be an agreement on the war problem. That is, there should be evidence of efforts to eradicate war by means of a peace process that should begin with a drop in war-related military activities. [end recording]

Guerrilla Leader Calls Ochoa Trial 'Exemplary'

PA1407043389 Panama City ACAN in Spanish 2322 GMT 13 Jul 89

[Text] Panama City, 13 Jul (ACAN-EFE)—Salvadoran guerrilla Commander Roberto Roca today characterized as "exemplary" the trial held in Cuba over the past few weeks that resulted in death sentences for and the execution today of General Arnaldo Ochoa and three other officers.

Roca told ACAN-EFE in Panama that the firing-squad execution of the four military men accused of drug-trafficking activities and treason was, "a drastic punishment but was in the framework of what Cuban laws establish as treason to the fatherland."

The Salvadoran guerrilla leader noted: "Ochoa opened huge gaps for an international mafia that has been penetrated by the CIA." "What has happened," he said, "shows that Cuba is prepared to go all the way to fight drugs."

Roca and Francisco Jovel, commanders of the Farabundo Marti National Liberation Front which, according to the Salvadoran Government, maintains close ties with the Cuban regime, met today in Panama with delegates from a committee composed of over 60 Salvadoran civic organizations. The delegates handed the rebels a peace proposal.

Defense Minister Says Guerrillas 'Weakened'

PA1407021189 San Salvador Canal Seis Television in Spanish 0200 GMT 13 Jul 89

[Text] Defense Minister General Rafael Humberto Larios said today that the guerrillas are weakened and have no chance of winning the armed conflict. Larios, who held an informal meeting with the international media, said that after initiating a series of attacks, the rebels have begun to retreat. Larios said the guerrillas do not have the military capability to confront the armed forces.

[Begin Larios recording] After engaging in long periods of fighting, the subversive movement is currently on the decline and is being destroyed more and more each day. Over the past 9 years, this revolutionary process has clearly shown it has no chance of surviving. The people have said it is a revolutionary process that will not truly satisfy the legitimate aspirations of the people. [end recording]

The guerrillas have attacked major military positions in the country, but their actions have been desperate ones, Larios said. He said the Army is capable of confronting the rebels, even though—as he has mentioned on previous occasions—its actions thus far have been limited. The defense minister said the Army is working for peace in the country, and if the government asks it to join the peace commission President Cristiani is trying to create, it would do so.

FMLN Car Bomb Shatters Windows in San Salvador

PA1307125589 San Salvador Radio Cadena YSKL in Spanish 1218 GMT 13 Jul 89

[Text] At 0600 this morning, FMLN urban guerrillas set off a bomb in the basement of the Democracy Tower building in western San Salvador. The bomb destroyed approximately 30 percent of the windows in the building. Reports indicate that FMLN urban guerrillas drove a vehicle into the building's basement loaded with gas tanks and a powerful bomb. The explosion shook western San Salvador and destroyed 30 percent of the windows in the building. This is the report we have on an FMLN operation which, at 0600 this morning, caused general alarm in western San Salvador.

* Captured FMLN Guerrillas Detail Activities

* Clergy Gave Refuge, Money

32480174 San Salvador EL MUNDO in Spanish 26 May 89 p 14

[Text] The Treasury Police captured Maria de la Cruz Navarro Morales, alias "Norma," who was arrested on Volcan Street in the Jose Simeon Canas Urban Center of Colonia Zacamil, because in 1982 she had joined the

People's Revolutionary Army (ERP), in which she held several positions. Starting in 1982 she was with the Feliciano Ama Front, located in the western part of the country, where she took a course for brigade members (nursing) given by the terrorist criminal using the alias "Patricio," his legal name being Dr Leonardo Antonio Galmadez. He is currently being held in a prison center in the country as a result of his terrorist activities.

In June 1988 Navarro Morales was assigned to come to the capital to engage in courier work between the northern and western sections of the country. She was later ordered to be transferred so as to join the Monsignor Romero Federation of Mothers Committees (FECMAFAM), in which she was to engage in consciousness-raising work among the masses in that organization.

Furthermore, according to information provided previously by Candelario Cecilio Piche, alias "Ruben," an ERP member who was arrested in October 1988, Piche was able to report on various terrorists, including Navarro Morales, because he used to visit the safe house owned by Maria de la Cruz, where several terrorist criminals held meetings.

The terrorist Maria de la Cruz Navarro Morales claimed that, upon being remanded, she did not take long to leave prison because, thanks to an economic project headed by a priest of Belgian nationality in charge of a church in Colonia Yanira, the latter would pay the costs of the legal procedures. She said that several ERP militants who were being held in prisons had benefited from this same project. The terrorist criminal maintained that this project is also run by a group of nuns, who are the ones responsible for delivering the money to persons arriving from the front. Among the latter is a woman in ERP using the alias "Maria Isabel," or "Ligia Elena," and serving as a courier in this terrorist organization. She also brings fighters from the front, posing as displaced persons, to San Salvador.

Maria de la Cruz Navarro Morales also stated that the church located in Colonia Yanira is used by the terrorist criminals as a hideout when they arrive from the front, and that they are also given financial aid and food there. She said that this church was providing the facilities for the terrorists to hold meetings at which they planned terrorist activities against the Salvadoran people. She added that the assistance received from that church is provided by International Solidarity, but that, in fact, it goes into the hands of individuals who are members of terrorist organizations.

* Demonstrations, Ambushes

*32480174 San Salvador EL MUNDO in Spanish
25 May 89 p 17*

[Text] At the order of the Tejutla Court of the First Instance the National Guard remanded the terrorist criminal Orlando Lara Rivera, alias "Agustin," who was captured by Armed Forces personnel on 20 May in the settlement of La Palma, in the department of Chalatenango jurisdiction, for being a member of the FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front], according to a communique from that corps.

Lara Rivera, aged 27 and a native of the canton of Valle de Jesus, in the aforementioned department's San Fernando jurisdiction, claimed to have belonged to the FMLN-FDR since 1988, when he was recruited by the terrorist with the alias "Hector." He was given the mission of carrying military equipment from the site known as Quebrada Seca to a vacant house located in the canton of Hierba Buena, in the San Fernando jurisdiction. Later, with several terrorists, he went to the canton of Los Planes, in the La Palma jurisdiction, where, he claimed, they engaged in disseminating subversive propaganda, an activity that he has carried out in various cantons of the department of Chalatenango. He also stated that he had participated in several demonstrations sponsored by FMLN-FDR front organizations to cause street disturbances, thereby implicating the Armed Forces on an international scale, based on alleged "repression," for which he was being paid the sum of 20 colones. He engaged in all these activities from last year until the end of January of this year, because the terrorist "Hector" had given him a 38-caliber special revolver with sufficient ammunition to execute other ambushes and harassment against various military units located in the aforementioned department. One occurred in the settlement of San Ignacio, last February, where, in addition to the rifles that the other terrorists accompanying him were carrying, they had given him a large supply of handmade grenades and three wooden ramps from which they would launch the aforementioned grenades, known as "catapults." Nevertheless, because of the strong resistance that they encountered from the military forces guarding that settlement, they were forced to flee in different directions.

He also said that his most recent missions had been to supply clothing, medicines, and provisions to the terrorists operating around that area, for which purpose they had given him the sum of 500 colones.

Guatemala

Striking Teachers Surround Congress Building

*PA1307200989 Panama City ACAN in Spanish
1955 GMT 13 Jul 89*

[Text] Guatemala City, 13 Jul (ACAN-EFE)—Guatemalan Vice President Roberto Carpio, Government Minister Roberto Valle, the diplomatic corps accredited to this country, and several deputies are virtually trapped inside the Congress building, which has been surrounded by teachers who are preventing the officials from leaving.

The Guatemalan Congress was holding a solemn, plenary session today to commemorate the French Revolution. The teachers, who have been on strike for 6 weeks, took advantage of this opportunity to exert pressure for salary increases.

Riot Police Disperse Crowd

PA1307232289 Panama City ACAN in Spanish 2247 GMT 13 Jul 89

[Text] Guatemala City, 13 Jul (ACAN-EFE)—An antiriot unit today violently dispersed teachers who had surrounded the Guatemalan Congress building in an attempt to liberate several ambassadors, deputies, and government officials trapped inside. Meanwhile, a teachers' delegation has begun negotiations with the government.

The teachers confronted the policemen, who used nightsticks to disperse the teachers. The teachers surrounded the Congress today while a solemn session was being held to commemorate the 200th anniversary of the French Revolution.

A helicopter flew over the Legislative Palace area, as the situation became more tense after teachers and other workers involved in the movement armed themselves with sticks to confront the antiriot unit. The policemen tossed tear gas canisters into the crowd to disperse the strikers. These events took place while a delegation of teachers were meeting inside the building with Vice President Roberto Carpio and other government officials in an effort to resolve the strike being staged by over 40,000 teachers for the past 6 weeks.

Leaders of the labor movement asked Carpio Nicolle for a $45 a month wage increase (an approximately 30-percent increase), $25 less than they had demanded before the strike began. President Vinicio Cerezo recently warned that there will be no wage increases this year.

The government commission that is negotiating with the teachers consists of Carpio, human rights attorney Gonzalo Menendez, Congress President Jose Lobo, and ruling party candidate Alfonso Cabrera.

At noon today, Carpio Nicolle, 15 ambassadors, 2 ministers, and 50 deputies were trapped inside the Congress building after the teachers surrounded the building to pressure President Vinicio Cerezo to give in to their demands.

The leaders of the teachers' movement warned that if no agreement with the government was reached, they would not allow the ambassadors, deputies, and other government officials to leave the building.

Following an hour-long negotiation, the situation remains at an "impasse," since the parties involved have not reached an agreement.

Carpio said that he will inform President Cerezo of the proposal so that he can make a decision that will end the strike and allow the ambassadors and other officials to leave the Congress building.

* De Leon Sclotter Leads DC Candidate Race

* Favored To Win

32480175a Guatemala City DIARIO DE CENTRO AMERICA in Spanish 8 Jun 89 p 3

[Text] "The 190 departmental secretaries general who signed their names to give their firm backing to Rene de Leon Schlotter as the Christian Democratic [DC] presidential candidate are the best response to the words of Mr Demetrio Moliviatis," stated Francisco Lopez Vidaurre, a deputy to the Congress of the Republic and member of the "dignity wing" of the DC.

He stated that in addition to the 190 secretaries general, 60 assistant secretaries and about 45 members of the Christian Democratic Youth were present at the most recent meeting last weekend in Quetzaltenango. All of them expressed their support for Rene de Leon.

"The number of departmental secretaries general who signed the declaration in Quetzaltenango represents 70 percent of all the votes in the DC," said Lopez Vidaurre.

He added that the secretaries general signed a document of support for Rene de Leon which will be published in the mass media soon. He also reported that the assembly stressed its commitment not to make any compromises and to go to the home stretch with Rene de Leon.

Deputy Lopez Vidaurre indicated that at the next DC assembly, the delegates, that is, the rank and file, will express their repudiation of Moliviatis' statements. They will confirm his status as a "persona non grata" as a result of the arrogance and abuse practiced by the secretary of organization in threatening the rank and file that civil servants will lose their jobs if they do not support the preliminary candidacy of Alfonso Cabrera.

He explained that on several occasions Mr Moliviatis has been asked not to behave in this manner, but since he has persisted, the rank and file will repudiate him at the next assembly.

With regard to Mr Moliviatis' statement to the effect that Rene de Leon is dividing the DC, he responded the same way the Patriarch himself did in that connection a few days ago: "We do not divide, because the majority does not divide."

* Lead Increasing

32480175a Guatemala City DIARIO DE CENTRO AMERICA in Spanish 9 Jun 89 p 2

[Text] New Christian Democratic [DC] departmental secretaries general, as well as assistant secretaries general and party members, are adding their names to the document signed last Sunday in Quetzaltenango in support of the candidacy of Rene de Leon Schlotter, reported Felipe Antonio Hernandez Valencia, a deputy to the Congress of the Republic.

He stated that during the weeks following the conclusion of this first stage of membership recruitment next 18 July, the preliminary candidates and their support groups will try to win the confidence of the voters who are listed on the membership rolls, each in their respective municipal chapters, under the supervision of three officials representing each of the preliminary candidates.

The primary elections will take place on 13 August in each municipality of the country. Only those Christian Democrats who have registered on the new membership rolls during the period from 18 June to 18 July will be eligible to vote.

The books and membership lists that have been floating around the country for years will not be taken into consideration.

Those citizens who were signed up on the Registry of Citizens as of 31 December 1987 may vote. In each municipal chapter, the roll drawn up by the Registry of Citizens, which contains the names of citizens who joined the Christian Democratic Party prior to December 1987, will be available for consultation. In this manner, each citizen will look for his name on that list, and if he is already registered there as a member of the DC, he will not sign up again. Reregistration would invalidate one of the memberships, the later one, and thus the individual would be taken off the new membership list. The computer at the Registry of Citizens would immediately detect the dual membership.

The same thing will happen if a person already listed on the Registry of Citizens as belonging to another political party comes to join. The computer will discover that fact and take him off the new membership list.

If someone wants to leave the party to which he is affiliated, he must submit a letter of resignation from that party. After the letter has been stamped by the party in question, he must take it to the Registry of Citizens so that his name will be taken off that party's list. Then he will be free to affiliate with a new one.

In the primary elections of 13 August, as stated earlier, all those who are affiliated with the DC in each community will vote. Then the secretaries general will come to the capital with a commitment to vote as the rank and file did. In other words, they cannot vote against the wishes expressed by the majority of voters in the community in the 13 August primaries.

"This means," said the congressman, "that rather than weakening the position of our candidate, it is becoming stronger and greater with the new signatures that are spontaneously being added to the 190 signatures of the secretaries general who proclaimed him their candidate in Quetzaltenango last Sunday. It should be noted that there are only 254 municipal secretaries general."

*'National Unification Movement' Party Formed

32480175c Guatemala City PRENSA LIBRE in Spanish 18 May 89 p 24

[Text] General Hector Mario Lopez Fuentes reported at a press conference yesterday that the committee for the formation of the National Unification Movement (MUN) Party has already been authorized.

MUN officials hope that the Registry of Citizens will give them the affiliation lists to fill out, because they already have a party organization in nearly every department and municipality of the republic.

The members of the board of directors chaired the press conference and answered journalists' questions.

The board of directors consists of Gen Hector Mario Lopez Fuentes, secretary general; Urbano Gramajo Castilla and Luis Felipe Monroy Maldonado, assistant secretaries general; Victor Alfredo Valladares de Leon, recording secretary; Cesar Augusto Montenegro Interiano, secretary of organization; Milton Rene Polanco Orellana, secretary of publicity; Dr Martin Carranza Orellana, secretary of finance; Mario Fernando Diaz Reyna, in charge of the professional branch; Jose Miguel Castillo Martinez, in charge of the university branch; and Eduardo Ayala, in charge of worker and peasant affairs.

* Human Rights Ombudsman Widely Criticized

* Required To Testify

32480175d Guatemala City LA HORA in Spanish 7 Jun 89 p 4

[Text] The institution of the Human Rights Prosecutor [PDH] today became the target of criticism by the same people who chose attorney Gonzalo Menendez de la Riva to be the first commissioner of the legislative body for human rights issues. Indeed, some expressed the opinion that the official's age is an obstacle to his continuing to function effectively as a leader.

In an opinion poll conducted by LA HORA after it was announced yesterday that the PDH had been subpoenaed to testify before four congressional committees regarding the recent massacres, the majority of the representatives shared the views expressed below.

Hector Mayora Dawe, chairman of the Legislative Committee on Human Rights: "He has fulfilled his function to some extent, but I don't think he has done so to the degree that we had desired. I really think, though, that neither he (Menendez) nor any other prosecutor would have been able to carry it out 100 percent."

"I suppose that those who are massacring people are quarreling factions, groups of criminals of one stripe or another, while the people cry out for security and the authorities in charge continue to fail them."

Dimas de Leon Paredes of the Union of the National Center (UCN): "I admire and respect Mr Menendez. He was my professor, and I know he is an honest and responsible citizen. But I think that because of his age, he has been unable to carry out his function convincingly. I believe that many professionals in Guatemala could have done a better job."

Rafael Arreaga Martinez of the Revolutionary Party (PR): "With all due respect, I feel that the prosecutor's age deprives him of energy. He is an absolutely honorable man who does not have a partisan image. Nevertheless, I believe that at this point in the democratic, political, and pre-electoral process, it will be very difficult to achieve a legislative consensus to move for the replacement of Mr Menendez de la Riva."

Arturo Amiel Escobar (UCN): "He has not fulfilled his mission, primarily because the Executive has undermined him from the beginning. It considered that the prosecutor didn't count for anything, because he has never been taken into account, especially when he has expressed an opinion on specific cases. They have treated him as if he were 'Nacho Cajon' instead of affording him the prestige and position he should have so that he can exert influence in Guatemala. Moreover, he has been ill-advised, as he becomes involved in matters that have absolutely nothing to do with human rights, while he has no knowledge of other matters that are essential to human rights."

Alfonso Cabrera of the Christian Democratic Party (DC): "Like the majority of institutions, the Prosecutor's Office does not have the necessary mechanisms to respond more efficiently to the problems within its purview. It was not designed with coercive power or authority, but an improvement in its communication system should be recommended, and its field of action should be defined. As I recall, when I was foreign minister, Canada offered technological support in the amount of $100,000 for the Prosecutor's Office, but I don't know what ever came out of that promise."

Obdulio Chinchilla (independent): "The Prosecutor's Office lacks coercive power to be able to enforce those principles. For that reason, no matter how much Menendez de la Riva wanted to carry out his responsibility, he would not be able to prevent or combat violations. There have been cases such as the adjustment of the price of electricity, the increase in the cost of living, and individual violations of all Guatemalans' rights, and the problems have not been tackled. It is for that very reason that the violence continues. And meanwhile, for as long as he lacks the force of law, this cat and mouse game will continue...."

* Presents Defense

32480175d Guatemala City LA HORA in Spanish 7 Jun 89 p 2

[Editorial: "Ombudsman Targetted"]

[Text] No one expected that the job of the human rights prosecutor would be a bed of roses, considering that this was a novel institution that emerged as a result of the way the fundamental rights of man were violated in our country. Although the office of human rights prosecutor had already been conceived of in other parts of the world, it is undeniable that the people who drafted our current Constitution felt impelled to create this legal entity within the Guatemalan legal framework as a result of the very recent experiences of abuse which stood for a wanton disrespect for human life, not to mention the other rights inherent to all mankind.

And yesterday, after a new massacre this week right in the department of Guatemala, some deputies were concerned about the manifestations of violence that have occurred so far this year. They decided to summon to Congress the responsible law enforcement officials and, incidentally, the human rights prosecutor, Gonzalo Menendez de la Riva. With regard to the latter, Deputy Ramiro Leal Espinoza of the ruling party stated that the veteran jurist has been unable and unwilling to take action on human rights problems.

Today, in a statement to the daily LA HORA, Menendez de la Riva hit back, contending that the problem of respect for human rights is not the exclusive purview of his office. He said that there had been very serious collective errors, including the problem of the courts' failing to apply justice correctly because of flaws in the initial criminal investigations conducted by police authorities or flaws in the very structure of the judiciary.

Don Gonzalo hinted, but did not state directly, that the problem of violence now being seen is the result of people taking the law into their own hands. Either isolated groups of citizens or organized groups in new versions of the death squads decide to punish alleged criminals without taking their cases to the courts.

The fact is that the initial progress made in the area of human rights, attributed to the popularly elected government of President Cerezo, is now being diluted by the wave of criminal acts which are beginning to resemble those we saw during the reign of terror in Guatemala. The annihilation of entire families is one of those phenomena, and it is to be hoped that a collective reaction of repudiation will counter these manifestations of violence. If they are not nipped in the bud, they may once again lead to the indifference of the national community to the suffering of others, until we reach the nadir of human rights violations again.

* CERJ Denounces Human Rights Violations

32480175e Guatemala City LA HORA in Spanish 7 Jun 89 p 2

[Text] The Runujel Junam Council of Ethnic Communities (CERJ) today denounced several extrajudicial executions and kidnapings, and called upon the government to "put an end to the threats and intimidations against humble Indian peasants" who ask that "human rights violations stop."

This organization, whose membership includes various ethnic groups in the altiplano region, stated that among the acts that have taken place is "the extrajudicial execution of the peasant Antonio Osorio, whose body was picked up by the justice of the peace on 24 May of this year."

In addition, it mentioned the case of Romulo Tecum, whose body was picked up by the judge on duty on 22 May in the canton of Sacxac, municipality of San Antonio Hilotenango, Chichicastenango.

The CERJ also reported that in addition to the above-mentioned deaths, Jose Velasquez Morales was kidnaped in the canton of Chunima, Chichicastenango on the 24th of the previous month, "when he was taken from his home at 2030 hours. Thanks to the intervention of neighbors, he was freed a few hours later...."

It also made note of "the threats against peasants in the cantons of Laguna Seca, Chupoj 3, and El Membrillal 2, in the municipality of Chiche; Quijel canton in the municipality of Chichicastenango; Chuitzalic canton in the municipality of San Pedro Jocopilas...." In all of these places, people are accused of belonging to human rights organizations, according to a communique.

Runujel Junam points out in the document that "if we want a true constitutional democracy in Guatemala, the threats and intimidation against Indian peasants must cease."

Honduras

U.S. Soldiers Wounded in Bomb Explosion 13 Jul

PA1307130289 Tegucigalpa Cadena Audio Video in Spanish 1237 GMT 13 Jul 89

[Text] Attention: A group of nine U.S. soldiers stationed at the Palmerola Base who were visiting the city of La Ceiba were attacked at 0030 today. The nine U.S. soldiers from Palmerola Base were on a recreational visit and were wounded when a homemade bomb exploded. Seven of the nine soldiers are wounded and three are in grave condition. The authorities reported that they have only arrested two suspects in this attack against U.S. soldiers, which took place at 0030.

More on Bomb Attack

PA1307163889 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 13 Jul 89

[Interview with Colonel Eric Sanchez, commander of 4th Infantry Battalion, by unidentified reporter in La Ceiba—live]

[Text] [Sanchez] Good morning, HRN [Voz de Honduras] listeners. I am a bit concerned over what I have heard on this radio station. The truth is that at approximately 0030 today, there was an attack with a homemade bomb. As a result, seven U.S. soldiers—not six—were wounded. Four sustained very minor injuries, while three were somewhat seriously wounded, but they are not in danger of dying. Nine soldiers were in that group. They were not on leave; they were on a mission from the Enrique Soto Cano Honduran Air Base at Palmerola.

They (?provoked)... [changes thought]. Instead, I should say that they went to have some fun at the Dilido Discoteque. Our Military Police patrols were in the area and witnessed the attack. We captured two suspects. Our men were about 100 meters away when the attack occurred and, unfortunately, the two suspects are U.S. citizens. In other words, people were in the area and no one knew what they were doing. This is an official report; this is what took place in La Ceiba. The two suspects were arrested, and they must know something about the seven who were wounded and who are at the [word indistinct] hospital. What you reported over the radio is correct. There is no need to be alarmed. It was a homemade bomb, and the damage was caused by the shrapnel, cement, and stones that were thrown into the air by the explosion.

However, I would like to deny a report by the (?milkman) from [word indistinct], who said that the city has been shut down and is being held hostage. That is not true. When the incident occurred, [words indistinct] the patrols were already on the streets and reported the incident. FUSEP [the Public Security Force] was instructed to conduct investigations; therefore, vehicles entering or leaving La Ceiba were stopped and searched. That is all. No vehicles are being detained. Production cannot come to a standstill merely because three or four people have been wounded or because two or three are critically wounded.

The city must function normally. The Armed Forces are interested in the continuation of production. So the man from [word indistinct] who called and said that he was losing 100,000 lempiras [as a result of the vehicle searches] this morning was telling a lie. We gave specific instructions that the inspection of vehicles should be carried until 0500, and that the vehicles should not be detained.

[Reporter] Colonel, it was the Chamber of Commerce president who provided the report and said that the delivery of milk had been stopped.

[Sanchez] With all due respect for him—whom I do not know personally—I must say that it is not true that we are stopping vehicles. We stopped a very small white van with some laborers in it to search the van. I was there on the highway. There was no milk on that bus; there were people on that bus, and I myself allowed them to continue. I am sorry that the Chamber of Commerce has been misinformed. We are not paralyzing activities, nor are we holding the city hostage. As I said, we are trying to conduct an investigation and we have arrested two people. We are not sure if they were the ones who perpetrated the attack; we are not sure of anything. We are merely conducting investigations and taking preventive measures.

[Reporter] Colonel, are the two men you have in custody the same U.S. citizens you mentioned at the beginning of this report?

[Sanchez] Yes. The lieutenant in charge of the patrol [words indistinct] the pants, clothes, and the color of what they were wearing indicated that they were (?civilians). Lieutenant Salgado of the 4th Battalion was 50 meters away when the explosion occurred. Two persons were captured. However, they have denied that either of them was involved. That remains to be seen. We have been waiting for about 30 minutes for the Armed Forces investigative personnel to arrive to learn the identities of the two men being held. The investigation will be completely professional. We [words indistinct] two or three persons were injured. We are not paralyzing production. I want to make this clear.

[Reporter] Yes, of course. Colonel, given the situation, do you believe that the situation in the Armed Forces is completely normal?

[Sanchez] Of course it is completely normal. We are not restricting anyone's freedom. When it gets dark, we will proceed to ask for identification papers; we will stop and check vehicles, which is normal in this type of situation. However, at no time will we paralyze production or normal daily activities. We are trying to find the culprits responsible for this attack. Regardless of whether it was an attack against U.S. citizens, it was certainly an attack against peace and order. Therefore, we have to investigate it, regardless of whether or not it involved U.S. citizens. In this case, and in light of this situation, I personally issued orders and followed the investigation until 0500, when I suspended all operations. I personally ordered these measures. I am amazed that the cattlemen do not transport milk before 0500.

[Reporter] One last question on this matter: Is the situation in La Ceiba related to the latest violent incidents in San Pedro Sula?

[Sanchez] I believe so. A series of criminal actions has been launched against social peace in Honduras. This station's listeners and listeners of all other Honduran radio stations know the high caliber of the Armed Forces personnel, beginning with the top commanders and continuing with officers down the chain of command. We are sensitive to social isses and are not motivated by vested interests of any kind. I believe that these acts of bloodshed, which are [words indistinct], are part of a series of fully planned, coldly calculated actions.

I do not want to sound like a comic strip character, but I believe that these actions are connected and overlap. I have the impression that [words indistinct]. We are witnessing the emergence of the so-called white hands and black hands [death squads], which concern us very much. We are talking about Hondurans killing Hondurans.

[Reporter] Thank you very much for your kindness to this station. We will be contacting you during the next few hours to learn the results of the investigations into this homemade bomb attack in La Ceiba.

[Sanchez] We are completely at your service. We are willing to offer you information as it comes in. We are a completely open, not closed, organization. We will give you truthful, factual information for the benefit of all Hondurans.

[Reporter] Thank you and good morning, Colonel.

Nicaragua

Ramirez on 'Right' To Send Arms to Panama

PA1307205689 Panama City ACAN in Spanish 1927 GMT 13 Jul 89

[Text] Managua, 13 Jul (ACAN-EFE)—Referring to the possibility hinted at by a U.S. newspaper that Nicaragua has sent weapons to Panama, Nicaraguan Vice President Sergio Ramirez said today that his country "has the sovereign right to deliver any kind of aid to an established government."

Citing a Nicaraguan Defense Ministry official as its source, THE WASHINGTON POST on 9 June reported that Nicaragua had sent weapons to the Panamanian militias ("Dignity Battalions") in case of a possible U.S. military attack.

Ramirez told ACAN-EFE that Nicaragua, "an established government, is entitled to lend assistance to any established government we deem is in peril."

The Nicaraguan vice president added he did not consider this action—which he neither denied nor confirmed—as "interventionist," because, "just as the U.S. Government is sending weapons to the Salvadoran Government, Nicaragua can do the same with Panama."

Prior to Ramirez's comments, the Managua government had not commented on the U.S. newspaper report, which stated that in recent months Nicaragua sent several dozen AK-47 rifles, ammunition, and other Soviet-made weapons to Panama.

Ramirez declined to comment on Panama's 7 May elections that were annulled 3 days later, "although we would never allow public disclosure of an elections result only hours after the electoral boards were closed, as the United States did in Panama."

UNO Pledges To Participate in 1990 Elections

PA1307194989 Managua Radio Catolica in Spanish 1849 GMT 13 Jul 89

[Statement issued by the National Opposition Unity (UNO) in Managua on 13 July]

[Text] The UNO political parties, which have been systematically preparing for the electoral struggle, hereby declare their decision to participate in the general elections set for 25 February 1990, which must be held under conditions of freedom, honesty, and efficiency, something that is not currently the case.

To agree on those conditions, the UNO political parties call on the government to hold a top-level dialogue at once. The UNO political parties call on the Nicaraguan people to increase their struggle until the conditions are achieved for genuinely free, honest elections that will solve Nicaragua's crisis.

Signing for UNO are representatives of the Liberal Party of Nicaragua; Nicaraguan Socialist Party; Democratic Party of National Confidence; Popular Conservative Alliance; National Action Party; Democratic Conservative Party of Nicaragua; Popular Social Christian Party; Central American Integrationist Party; Independent Liberal Party; Social Democratic Party; Constitutionalist Liberal Party; Communist Party of Nicaragua; Nicaraguan Democratic Movement; and National Conservative Party.

Managua, Nicaragua, 13 July 1989

Deputy Defense Minister on Upcoming Summit

PA1307220689 Managua Radio Sandino in Spanish 1200 GMT 13 Jul 89

[Report on interview with Deputy Defense Minister Joaquin Cuadra Lacayo in Managua; date not given—recorded]

[Text] The reason the contras have not yet been demobilized, and the role Honduras played in this regard should be analyzed at the upcoming Central American presidents summit, according to Deputy Defense Minister Major General Joaquin Cuadra Lacayo.

[Begin recording] [Cuadra Lacayo] A new summit of Central American presidents will be held. Nicaragua believes that the main issue that should be discussed at that summit is the political situation that has stymied the process to demobilize the contras. This has delayed the total and effective fulfillment of the agreements signed by the presidents and compliance with the document on demobilization signed in Guatemala and signed by all the Central American deputy foreign ministers. We must determine what political situations have prevented the demobilization of the contras. I believe Nicaragua will have to maintain a firm position on the nonfulfillment of the agreements by other Central American countries, particularly Honduras.

Nicaragua is in a comfortable position and has great authority because it has strictly and responsibly complied with all the commitments it made. This has been confirmed by international observers. Thus, we have the moral authority to report at that summit the nonfulfillment of the part of the agreement dealing with the demobilization of the contras.

[Reporter] So, a political problem has prevented the demobilization of the contras. Can Honduras' request that the charges filed by Nicaragua at the International Court of Justice be viewed as a political problem?

[Cuadra Lacayo] Yes. The main political problem I am referring to is the imposition of the U.S. political will in Honduras. This issue should be discussed at the summit. The Central American countries must adopt a position that truly represents Central American interests, even though this may not be in line with the U.S. and Bush Administration's interests, political position, or political will. Central Americans have reached agreements, but we must also fulfill those agreements. [end recording]

Colonel on Casualty Toll From Contra Actions

PA1307211789 Managua Radio Sandino in Spanish 1200 GMT 13 Jul 89

[Text] Thus far, the 1989 toll from terrorist actions by the counterrevolutionaries in Region 5 is 54 civilians killed, 26 wounded, and over 100 kidnapped is. During the same period, and in response to the terrorist actions against civilians, the Sandinist People's Army [EPS] inflicted 264 casualties on the contras.

This was reported by Colonel Roberto Calderon, chief of Military Region 5, during a ceremony to begin the first military training period for the second contingent of youths in the Patriotic Military Service [SMP]. Calderon added that during this period 315 contras put down their weapons, which, he said, is clear evidence of the deterioration of the mercenary forces. The officer noted that youths are voluntarily joining the SMP in Region 5 and are organizing a fighting unit called the Major Francisco Javier Girardo Contingent.

On Contras 'Blue and White Plan'

PA1307213889 Managua Radio Sandino in Spanish 1200 GMT 13 Jul 89

[Text] Approximately 1,000 counterrevolutionaries have infiltrated the central region of Nicaragua to frighten civilians, and they have killed several civilians in the past few days, Colonel Roberto Calderon, chief of the 5th Military Region reported. He added that a group of mercenaries tried to occupy Llano Grande, where they killed four civilians. Contra attacks on civilians are part of the plan outlined in the Blue and White document that was delivered to a right-wing sector in Managua. The contra attacks are also designed to frighten civilians who are preparing to celebrate the 10th anniversary of the revolution and the February 1990 general elections.

[Begin Calderon recording] These actions are part of a terrorist plan to be carried out by revolutionary groups in the region prior to 19 July, the 10th anniversary of the revolution. Such actions are designed to sow terror among civilians. The counterrevolutionary plan, which is known as the Blue and White plan, has reached the opposition groups. One of the objectives of this plan is to sow distrust and terror among the people. [end recording]

First Shipment of USSR Rice Donation Arrives

PA1407022989 Managua EL NUEVO DIARIO in Spanish 8 Jul 89 p 12

[Summary] The USSR has donated 30,000 tons of top-quality rice to Nicaragua through the National Enterprise for Staple Foods (ENABAS), ENABAS Assistant Director Wascar Lanzas reported today. The first 1,500 tons of rice arrived in the country on Friday aboard a Norwegian ship, which docked at San Juan del Sur.

Assistant Director Lanzas said that the first shipment allows ENABAS to guarantee the country's rice supply for 6 months. He added that a second shipment of 13,000 tons will arrive by the end of July, and the third shipment of 7,500 tons will arrive late in August. Lanzas also said that ENABAS now has a 300,000-ton stock of rice, which is currently being threshed.

* Editorial Justifies Barring Vote Observers

32480173a Managua BARRICADA in Spanish 14 Jun 89 p 3

[Editorial: "They Will Not Pass With 'Fraud' Either"]

[Text] The big fuss that the right-wing parties and their spokesmen have made in defending the presence of U.S. Government "observers" during the Nicaraguan elections again brings to mind the warning by President Carlos Andres Perez' personal envoy: "Those who have no chances of winning always talk about fraud."

Only this time the "stigma" of fraud attaches neither to the government nor to the Sandinist Front but rather to the right itself. It is they who want to defraud the people. As with so many other destabilizing maneuvers throughout these 10 years, the right operates on the basis of rented plans, not its own. We are talking about nothing more and nothing less than a repeat in Nicaragua of the experiment in Panama, where the United States conducted a relatively successful test of its new style of intervening in the internal affairs of Latin America by replacing gunboats with political and diplomatic pressure and meddling.

It is by now an unassailable fact that the Sandinist Front is the political force with the greatest support among the Nicaraguan people and, by the same token, that none of the 21 opposition parties nor the Contras, transformed into a political party, enjoy like support from the people. This fact, which is widely acknowledged overseas and even within the U.S. Government itself, rules out in advance any attempt at fraud by the FSLN [Sandinist National Liberation Front], plainly and simply because it does not need it. The strength of its grassroots support will suffice.

This is, moreover, why the Sandinists are politically determined to hold a clean, free, and democratic election, with guarantees for the full participation of all the political forces that exist in the country, so that there is no doubt whatsoever about the legitimacy of the front's victory.

Numerous international bodies, including some of the international associations of parties to which opposition groups belong, have already corroborated that the necessary conditions for a clean and transparent election exist in Nicaragua. So true is this assertion that for some time now the right has stopped aiming its guns at the Electoral Law and the Ways and Means Law and shifted them to more realistic targets such as, for example, opposition "unity" in opposing the FSLN.

The Sandinists have thus forced the Americans to discard their objective of toppling the Nicaraguan revolution at the ballot box alone, inasmuch as the people cannot be made to lean towards the opposition candidates, either individually or in blocs. Failing this, as the American press has reported, the Bush administration now intends "to bring down the Nicaraguan elections" by meddling in such a way and with so many propaganda resources that on the very evening of 25 February it can shout "Fraud!" to the rest of the world, with the natural consequence that the Sandinists will be condemned and suffer international political isolation, which would enable the United States to immediately try some other way to overthrow the revolution.

The system of "observers" at elections has thus become the spearhead of this new Yankee strategy. They are, of course, no guarantee that the election will be honestly certified. Quite the opposite. That is to say, a monitoring group will be brought into Nicaragua to certify a nonexistent "fraud," which they may even perpetrate themselves.

Therefore, the Panama experience is instructive. Besides handing over $10 million to the opposition to be distributed among professional agitators and provocateurs so that they would cause disturbances and clashes with the Armed Forces and electoral institutions, the United States managed to send a whole legion of "observers" into Panama. They were armed, literally, with enormous quantities of propaganda resources (especially the electronic kind), with which they succeeded in setting up a parallel system of information, propaganda, and vote tallying.

The results are known to all. On the evening of 10 May the United States was denouncing "fraud" and orchestrating a full-fledged campaign, which is still going on, to isolate Panama internationally.

Therefore, the Nicaraguan Government's decision to ban any type of U.S. involvement in the international system for monitoring the election, without any detriment whatsoever to the provisions of the Esquipulas and Costa del Sol accords, is a just means of protecting the elections against the fraud that the Americans would like to promote, with the complicity of their allies, the opposition political parties.

Now that the umbilical cord of fraud has been cut, the only alternative is to accept the clean playing field that the revolution is proposing, which is tantamount to accepting the opposition's defeat and the front's crushing victory.

Logically, this alternative will never be to the liking of the United States or its domestic allies, and for this reason they are reacting angrily to the revolutionary government's actions now that the impossibility of concealing their failure has been laid bare.

Panama

FDP Reportedly Retires 13 Officers, Promotes 1

PA1407131089 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Jul 89 p a-1

[Text] Yesterday, the Panama Defense Forces [FDP] promoted one officer to colonel and retired 13 other officers.

Lieutenant Colonel Teodoro Alexander, chief of the FDP Commander's Adjutancy Office, was promoted to colonel.

Majors Eriberto del Cid (deputy chief of the General Staff's G-5), Domitilo Cordova (deputy chief of the National Investigations Department, DENI) and Roberto Perez of the Police were retired.

The list of retirees also includes: Captains Antonio Vega, Rogelio Douglas, Juvenal Rios, Wilfredo Vargas (chief of the Heavy Equipment and Transportation Company), and Rolando Puga (G-2 deputy chief). Lieutenant Jose Vidal and Second Lieutenants Heliodoro Ortega, Eliseo Sanchez, Jose Olmedo, and Alonso Velarde—all from the Military Health Battalion—also retired.

Promotions and transfers have not been reported to the media, but an FDP spokesman announced that they are in effect this week.

Five General Staff members were retired on Monday: Colonels Jose Santos Motta, Elias Castillo Figueroa, and Lieutenant Colonels Aristides Hassan, Ricardo Garibaldo, and Carlos Garcia.

Solis Palma on Release of Political Prisoners

PA1407000289 Panama City Telemetro Television in Spanish 2319 GMT 13 Jul 89

[Text] This afternoon, Minister in Charge of the Presidency Manuel Solis Palma announced to the ambassadors of the EC countries that all the people who were arrested in May [following political demonstrations] have been released. The group of diplomats, which is headed by the ambassador of France, has expressed to the chief of the Executive Branch its satisfaction with the announcement.

The Panamanian Government's decision in honor of the 200th anniversary of the French Revolution is stated in a Government and Justice Ministry resolution ordering the release of 71 persons involved in political incidents that took place in the days following the 7 May elections.

The EC delegation was composed of the ambassadors of France, the FRG, United Kingdom, Spain, and Italy.

The minister in charge of the Presidency made the announcement in the company of the minister of government and justice and the minister of the Presidency of Panama.

Following the meeting with the EC countries ambassadors, Government and Justice Minister Rodolfo Chiari spoke about the release of the political prisoners:

[Begin recording] [Chiari] They had presented a request on that topic to the president a few days ago.

[Reporter] Do you expect more [word indistinct]?

[Chiari] Not for the time being. Only these.

[Reporter] This calls for the release of political prisoners only?

[Chiari] For the release of persons arrested during and after the elections, when foreign ministers visited us [words indistinct]. [end recording]

Parties Propose Reconstruction Government

PA1407004689 Panama City Televisora Nacional in Spanish 2317 GMT 13 Jul 89

[Text] Within the context of a national dialogue, the National Liberation Coalition [COLINA] parties and the independent opposition Authentic Arnulfist Panamenist Party [PPAA] last night proposed the creation of a national reconstruction government, which would be installed on 1 September.

The proposal has been signed by the party leaders. Colonel Camilo Saavedra, retired, for the National Action Party; Eduardo Rios for the Democratic Workers' Party; Ruben Dario Souza for the People's Party; Rodolfo Chiari de Leon for the Liberal Party; Dr Juan A. Medrano for the Labor Party; Hildebrando Nicosia Perez for the Authentic Arnulfist Party; Luis Gaspar Suarez for the Revolutionary Panamenist Party; Carlos Duque Jaen for the Democratic Revolutionary Party; and Jorge Young for the Republican Party.

The national reconstruction government would be formed by representatives from COLINA, ADOC [Civic Democratic Opposition Alliance], and PPAA, according to the proposal read last night.

[Begin unidentified speaker recording] We propose the creation of a national reconstruction government that, devoid of sectarian interests, can overcome the current crisis by avoiding even more grievous and tragic situations and circumstances in the country. This national reconstruction government will be formed by COLINA, ADOC and PPAA representatives.

This national reconstruction government will be installed on 1 September 1989. We are proposing this solution because we are patriotically concerned about the urgent need for Panama to overcome the situation that arose as a result of the annulment of the 7 May elections by the Electoral Tribunal. This annulment was later ratified by the Supreme Court of Justice.

The national reconstruction government will have the following objectives:

1. To negotiate as soon as practicable the unfreezing of Panamanian funds by the U.S. Government and the delivery of these funds, the Panama Canal annuities, the income tax, social security, and educational taxes withheld from Panamanians working for the Panama Canal Commission to Panama.

2. To point out and to ensure the fulfillment of all the actions that are hampering compliance with the Torrijos-Carter Treaties.

3. To negotiate, with authorized representatives of private enterprise and workers, the formulation of a short- and long-term program to reactivate local and foreign investment in the country, thus increasing the number of jobs available.

4. To issue regulations and set the date for national democratic elections.

Note: Regarding the negotiations mentioned in point one of these priority objectives, the national reconstruction government will request OAS mediation, as its representatives suggested during their meeting in our country. We are respectfully asking the dean of diplomats accredited in Panama, Monsignor Sebastian Laboa, to make this proposal known to the presidents of the ADOC parties. We will also send a copy of this proposal to the national government and the Panama Defense Forces. [end recording]

Endara Calls Proposal 'Absurd'

PA1407002389 Panama City Telemetro Television in Spanish 2306 GMT 13 Jul 89

[Text] Opposition leader Guillermo Endara Galimany says that the tripartite negotiation between the COLINA's former presidential candidates, the FDP, and the ADOC's former presidential candidates can begin when the OAS mission arrives in Panama. Meanwhile, he characterized as absurd the progovernment parties' proposal for a reconciliation government.

Endara Galimany said the ADOC has the political will to participate in a dialogue without backing away from its position.

[Begin recording] [Endara] The [national reconstruction government] proposal is a joke on the Panamanian people and on the OAS. It does not deal with the fundamental things the Panamanian people have been struggling for, such as the changes that must be made within the FDP's high command and recognition of the people's will as expressed on 7 May 1989.

Furthermore, the reconciliation government proposal fails to mention a single word about human rights, the closed media, or any of the things that the people have been struggling for against this dictatorship.

[Reporter] Has the ADOC made a counterproposal?

[Endara] With the OAS mission's arrival, the ADOC believes that the OAS' proposal—a tripartite negotiation—which we accepted, will be renewed. I believe we should return to that point. The ADOC has been specific. It has called for an end to all the theorizing and all the talk about dialogues. Let us talk. Who attended the meetings that were held? Only the ADOC attended. The FDP and COLINA did not show up.

I insist that on 7 May the people expressed their will in an overwhelming and categorical manner, and that decision must not be toyed with. We will not play with the people's will. [end recording]

OAS Arrives To 'Mediate'

PA1407144889 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Jul 89 pp A-1, A-7

[Report by Lerna LLerena]

[Text] Panama City, REUTER—OAS Secretary General Joao Clemente Baena Soares and Ecuadoran Foreign Minister Diego Cordovez arrived in Panama on 13 July to try to mediate the Panamanian crisis.

Cordovez said that the OAS proposal for a negotiation between the government, the FDP, and the opposition "was agreed upon by all the parties involved."

Cordovez added: "The most important thing now is to agree on the practical details of the negotiation."

Soares, who refused to make statements, and Cordovez are the first members of the OAS special delegation to arrive in Panama. Guatemalan and Trinidadian and Tobagan Foreign Ministers Mario Palencia and Sahadeo Basdeo, respectively, will arrive in Panama today. The delegation will meet today as soon as the latter two arrive in Panama.

This is the third time that the OAS delegation has come to Panama. Its mandate ends on 19 July. During this visit, the OAS delegation will draft a report to be presented next week at the OAS consultative meeting in Washington.

At Panama's airport, Cordovez denied that one of the parties involved had disregarded the OAS proposal.

On 12 July, the COLINA, led by the ruling Democratic Revolutionary Party (PRD) and the Authentic Arnulfist Panamenist Party (PPAA), proposed the formation of a junta for national reconstruction, in which the opposition could also participate.

However, on 13 July, opposition leader Guillermo Endara described the government coalition proposal as "absolutely absurd."

During a news conference, Endara, former presidential candidate at the annulled 7 May elections, said: "That proposal is absolutely absurd. It mocks both the Panamanian people and the OAS."

Endara added: "That proposal does not take into account the changes that must be made within the FDP High Command, and it fails to recognize the people's will as expressed on 7 May. The proposal does not contain a single word about human rights or the closed media."

CRITICA Columnists Criticize U.S. Actions

General Cisneros' Assailed

PA1307222989 Panama City CRITICA in Spanish 13 Jul 89 p 2

[From "Today in the World" column by Luis Manuel Martinez]

[Text] Where is the enemy? Our investigations have allowed us to gather some interesting data, which I am relaying to my enthusiastic readers. First, General [Marc] Cisneros, who roars like Metro Goldwyn Mayer's lion and boasts of being a fighting man, is not a career military officer and his penchant for publicity is becoming a source of great discomfort among his colleagues. The officers feel that he does not have the makeup of a professional military man, who abides by U.S. customs and traditions. Second, the troops are not hiding their displeasure over the constant exercises and the unnecessary tension, and they are saying to themselves: Where is the enemy? Of all the places in the world where the United States has military bases, it is in Panama where they get the best treatment and enjoy life without any danger. Cisneros will have to tone down his harlot-like language and rein in his paranoia. Well-mannered and well-known officers who have served in the Southern Command are laughing their heads off at his inane actions.

U.S. Called 'Obstacle' to Talks

PA1407000589 Panama City CRITICA in Spanish 13 Jul 89 p 4

["Political Arena" column by Baltazar Renan Aizpurua]

[Text] Panamanian Foreign Minister Dr Jorge Eduardo Ritter pointed out this week the main obstacle to the much-awaited national dialogue when he said that Washington—and its policy of harassment against our people—only sends messages to the opposition saying it is not necessary for the opposition to sit down at a dialogue because the current situation could very well be resolved at any moment through the use of force.

Ritter also admitted that, like many other Panamanians, he was surprised and confused by the signs that began to appear several days ago that seemed to indicate that the atmosphere was right for this dialogue.

As our foreign minister, Ritter has said in various forums that the elimination of the foreign factors that affect the present problem is indispensable to allow the parties involved in the internal conflict to sit down to talk.

Such factors (e.g. political and economic destabilization, campaigns to mar the prestige of the country and its authorities, and the economic blockade) are the result of the open U.S. alignment with the local opposition, which would like to make Washington one of the primary participants in the dialogue. Washington would give a smaller role to the opposition leaders, who are apparently not capable of understanding what really is at stake.

In other words, the opposition would like the government to sit down to talk with an interlocutor who is armed with a loaded and cocked gun.

Ritter insists on the need for Washington to end its policy of hostilities against our country so that the parties can sit down at the negotiating table on an equal basis, that is, as Panamanians willing to solve their own affairs by themselves and without any foreign intervention.

The signs our foreign minister referred to stemmed from statements made by the opposition leaders to the effect that they were willing to meet without conditions.

However, such auspicious statements were followed by a not so discreet meeting between the ADOC [Civic Democratic Opposition Alliance] people and the highest-ranking military chiefs of the Southern Command at the Apostolic Nunciature. After this meeting, the opposition called for a dialogue on the "transfer of power" to be held at that location.

While the opposition spokesmen hold the authorities responsible for delaying direct talks, the U.S. Government continues to conduct military operations in Panama. In addition to violating the Canal Treaties, these operations are part of an increasingly intolerable strategy of intimidation and provocation.

This strategy is obviously designed to create a situation that can justify the use of force by the U.S. Army in Panama under the pretext that U.S. interests are endangered.

Washington would like to have such a situation occur prior to 19 July, not so much because the United States would take seriously what the OAS might or might not do, but to avoid formalities, which after all are unnecessary for the White House and the Senate.

It would be convenient for the North Americans if this date arrived without significant changes in the Panamanian situation. It would be even better if the situation deteriorated even further. The Bush Administration knows very well that the Panamanian Government regards the elimination of the U.S. intervention here as a matter of principle, consistent with the current policy of preserving our sovereignty, and that this government will not yield a single inch.

However, the United States reacts to this position with the arrogant policy of provocation that General Marc Cisneros has been applying in Panama so efficiently, a policy we Panamanians have been witnessing every day.

As Foreign Minister Jorge Ritter reported, this is a way to tell the opposition not to waste its energy because, after all, it will be they, the North Americans, who will bring about a "solution" in Panama. After all, all they have to do is perfect this solution through a simple incident, the "armed actions" for which they are ready, willing, and in the right place to carry out.

Malta Donates Medical Supplies to Hospitals

PA1407030889 Panama City CRITICA in Spanish 12 Jul 89 pp 1, 15

[Summary] Maltese Charge d'Affaires Olmedo A Rosas has given representatives of Panamanian charitable and religious organizations and hospitals documents related to the donation of medicine, medical equipment, and surgical garb valued at 400,000 balboas from Malta to these institutions.

Health Director Updates AIDS Situation

PA1407022789 Panama City MATUTINO in Spanish 13 Jul 89 p 2

[Summary] Metropolitan Health Director Dr Jaime Armijo has reported that 64 percent of the AIDS patients in our country have died. According to Dr Armijo, the 116 cases registered in the country—most of whom are homosexual males—have received medical attention at the Santo Tomas Hospital, the Metropolitan Medical Complex, and other medical centers throughout the country.

Argentina

Menem on Falklands, Reaction to UK Statement

PY1307111689 Buenos Aires TELAM in Spanish 1408 GMT 13 Jul 89

[Excerpts] Buenos Aires, 13 Jul (TELAM)—President Carlos Menem today asked the people "to endure for a little more time and not to play into the hands of the agitators," and he admitted that world reaction to his remarks about possible cessation of hostilities with Great Britain "has been excellent," but he emphasized that Argentina "will always maintain its stance regarding sovereignty."

The chief of state made these remarks this morning on leaving his home, located at 1500 Posadas Street in this capital. He also spoke about the current economic situation, price increases, the Malvinas problem, and the situation in the military sector. [passage omitted]

When asked whether Argentina has made a proposal to Great Britain regarding the Malvinas Islands, Menem stated: "Proposals do not exist; the information has been distorted somewhat. These are expressions that are based on the need to achieve peace in the South Atlantic, because neither Argentina nor England can maintain an indefinite confrontation."

"Argentina," he stated, "needs to participate in all parts of the world, but it is always going to maintain its stance regarding sovereignty. We have to advance on the zone of exclusion that exists within our seas. As long as that possibility exists, Argentina is going to do everything necessary."

He further stated that "a cessation of hostilities is one of the options to achieve that goal. The idea is to achieve a situation like that which existed in 1982, before the conflict occurred."

Asked his opinion on world reaction to this position of the Argentine Government, Menem stressed: "It has been excellent. The world does not want any more regional conflicts, and Argentina is demonstrating that it does not want any more wars and that it has opted for peace. I have said it throughout the presidential campaign: I do not know how much time will pass, but the Malvinas will return to Argentina." [passage omitted]

No Comment on UK Contacts

PY1407012889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1642 GMT 13 Jul 89

[Text] Buenos Aires, 13 Jul (NA)—Foreign Minister Domingo Cavallo today declined to comment whether confidential direct contacts with Great Britain are taking place.

"I cannot be precise on such a delicate issue" said Cavallo when asked about it by reporters during a brief intermission in the cabinet meeting with President Menem and provincial governors.

Cavallo reiterated that President Menem has expressed "a clear gesture to the world" by announcing the Argentine willingness to declare a cessation of hostilities if Great Britain puts an end to the exclusion zone in the South Atlantic.

He added that "this initiative is a clear example of the new environment of relaxation in international relations and in the search for peaceful solutions to conflicts."

Cavallo also explained that he has conveyed to the provincial governors "the organizational changes made in the Foreign Ministry" aimed at expediting the provincial projects linked abroad through the Institutional Affairs Under Secretariat of the Foreign Ministry, that was created for that purpose.

He also indicated that several career ambassadors will cover different regions of the country to visit the provincial governors and listen to their concerns and to advise them.

New Air Force Chief of Staff Delivers Speech

PY1407005889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1353 GMT 13 Jul 89

[Text] Buenos Aires, 13 Jul (NA)—Major General Jose Antonio Julia, new chief of staff of the Air Force, emphasized today that military men should "stay completely away from taking action or expressing opinion on issues which, due to their political, socioeconomic, juridical or any other nature, are not our responsibility." He also called for the "strict respect and obedience to the military echelon."

In a speech delivered upon taking over as the Air Force chief of staff, replacing General Ernesto Crespo, Julia pointed out that "our efforts and our will should always be aimed at fulfilling our responsibilities which the nation imposes through the Constitution. This means that we must be permanently ready to defend the sovereignty of our air space and our territory, in coordination with the Argentine Army and Navy.

Gen Julia said that during his administration he will lead the Air Force to a "firm and decisive participation in any acitivity aimed at achieving the industrial and economic expansion and progress of the country."

In this regard Gen Julia said that "we already have the means to come aggressively into the international market and to try to obtain the capital needed to carry out new technical developments that would enhance our competitiveness."

Regarding his administration, Julia added that the Air Force will support "the established policies that seek to achieve the national objectives through an understanding and coordination with the Defense Ministry and thus through all government organizations."

Julia said that another of his goals is to reach an understanding "once and for all that the Air Force is an armed branch of the nation and because of that it is at the service of the people of which we are a part and which gives us life. Therefore, in the general aspect the Air Force obeys the national Constitution and especially the Military Aeronautics Laws and Regulations. If we abide by these rules we will never make any mistakes."

He added: "I know I have all the necessary means to succeed even in the current crisis because I know the men I am going to lead and I have seen them in action under critical situations, like fighting in the Malvinas War against all adversity even knowing that they were going to die."

He said: "The Air Force cannot and must not fail with its human resources and with the new prospect of hope we have. This new path means for the Argentine people the beginning of a new stage with clear and explicit guidelines on the direction we are going, but above all with the spiritual feeling that we could finally achieve national unity and pacification."

Gen Julia also said that "keeping in mind the concept of overall air power, which not only includes the Air Force but also the entire aeronautic activity and the air industry that is related to them, another of my main objectives is the development of civil aviation because we should not forget that the Air Force was born from it, that the personnel trained in the various aspects of general aviation come from civil aviation."

He went on to say that "I will continue to implement the policies and actions currently in force for the development of the aerospace industry by encouraging the subsidiary private enterprises because they have an important role to fulfill in the manufacture of spare parts, elements, equipment, and other components for our products."

[Words indistinct] for the Malvinas Islands, we must face this new challenge in history. We will have some harsh months, perhaps some very harsh months, but now with the possible prospect of seeing the light of hope very close."

Syrian Vice President Addresses Expatriates

JN1407061489 Damascus Domestic Service in Arabic 0415 GMT 14 Jul 89

[Excerpts] Buenos Aires—Vice President 'Abd-al-Halim Khaddam has conveyed the greetings of President Hafiz al-Asad and the kinfolk and brothers in Syria to the Arab expatriates in Argentina.

In a speech delivered yesterday to a dinner banquet hosted by leaders of the (Via Arab) organization in his honor, Khaddam said that he was pleased to take part in the inauguration of Dr Carlos Menem, who is of Syrian Arab descent. [passage omitted]

Speaking about the situation in Lebanon, the vice president said: Fraternal Lebanon is going through a murderous, bloody tragedy. This tragedy is due to the Israeli enemy, which wants to fragment Lebanon and create sectarian statelets to justify its sectarian, racist entity. All actions that aim to destroy Lebanon will fail. Lebanon will remain a united country, and peace will be restored to it.

'Abd-al-Halim Khaddam asserted that Syria is interested in Lebanon's unity, the achievement of national reconciliation, and ending the crisis that threatens its existence and entity, and that Syria will not support any side against the other but will support all Lebanese. He also stressed that Syria will never allow the division of Lebanon. [passage omitted]

Bolivia

U.S. Government Grants $100-Million Credit

PY1307105089 La Paz La Red Panamericana in Spanish 1130 GMT 13 Jul 89

[Text] Planning Minister Fernando Romero has reported that the U.S. Government has decided to grant Bolivia an unconditional $100-million credit to support the balance of payments. Romero said that disbursement of the credit will begin in 90 days, adding that the funds will allow Bolivia to solve any unexpected problems, such as unexpected demands for currency or withdrawal of bank deposits.

The minister said that the government has the funds necessary to guarantee economic stability and to pass a healthy economy on to the next government.

Central Bank President Jaques Trigo said that Bolivia has $185 million of available currency and that this amount will be increased to more than $300 million with future disbursements by the World Bank and other disbursements that have already been arranged.

Trigo added that deposits dropped by only 0.5 percent in July, indicating that owners of savings accounts now have more confidence in the current policy. The minister said that deposits in the Bolivian commercial banking system are up to approximately $500 million, and that the withdrawal of $30 million should not have any further impact.

Defense Minister on Country's Sovereignty

PY1107135689 La Paz La Red Panamericana in Spanish 1130 GMT 11 Jul 89

[Text] Defense Minister Alfonso Revollo has stated that the country's sovereignty is protected by the nation's Armed Forces. He also stated that the Armed Forces are fully carrying out their constitutional duties.

The defense minister made these comments when asked about remarks made by U.S. Ambassador Robert Gelbard, who stated that the government does not have absolute control over the national territory.

Revollo added that as time goes by the nation's Armed Forces become more and more imbued with the principle of sovereignty. He said that the improvements made to garrisons in the past 4 years figure within this context, and there are still 35 works to be dedicated.

When he was asked about financing for building garrisons, the defense minister stated this was possible due a rationalization of expenditures; in other words, the works are carried out with the annual budget for the Armed Forces, and no outside funds are used.

Revollo remarked that the next step is to build border posts to properly control our borders.

New Stage in Antidrug Struggle Announced

PY1207005489 La Paz EL DIARIO in Spanish 27 Jun 89 p 1

[Excerpt] The government has stated that last week's tragic events in Santa Ana del Yacuma marked the start of the second stage of the antidrug struggle, which is based on the successful and favorable response of the Bolivian people to the government's efforts to preserve national dignity and the Bolivian image.

Interior Minister Eduardo Perez Beltran announced that police forces have been reinforced to arrest drug trafficker Hugo Rivero Villavicencio, who is charged with promoting the Santa Ana del Yacuma incidents. He made the following remarks to EL DIARIO:

"We have just begun a new stage of the antidrug struggle in which people should become aware of the risks posed by gangs linked to international drug traffickers.

Perez Beltran said: "The incidents of Santa Ana del Yacuma have revealed to the Bolivian people that local and foreign bodyguards are protecting important drug traffickers. In the face of this situation, which has been reported by the authorities on many occasions, the government virtually has only two alternatives:

First, to let the allegedly free territories established through the occupation of small towns be placed at the service of international drug trafficking, which will thus rule the country; or to have the entire Bolivian people join the antidrug forces to preserve the national heritage and to defend our youths and children."

According to Perez Beltran, in the past few months, "we have contradicted our principles. We used all means to support illegal activities. Even the mass media made drug traffickers appear to be victims while government forces were considered executioners, criminals." [passage omitted]

Coca Substitution, Development Plan Created

PY1107222389 La Paz EL DIARIO in Spanish 27 Jun 89 p 3

[Excerpts] Agriculture and Campesino Affairs authorities and representatives of Cochabamba and La Paz coca growers yesterday approved the government draft decree regulating the Coca Plantation Development and Replacement Comprehensive Plan (PIDYS) [Plan Integral de Desarrollo y Substitucion de Cultivos de Coca].

Campesino Affairs Minister Guillermo Justiniano after long negotiations with the coca grower representatives announced the creation of the National Commission for Alternative Development (CONADAL) [Comision Nacional de Desarrollo Alternativo]. The commission comprises six representatives from the executive branch and five representatives from the coca growers and their organizations. The commission will create local and regional committees to implement the PIDYS. [passage omitted]

In order to reach its objectives the PIDYS will implement programs for crop replacement, economic reactivation, regional development, and social participation in the process of voluntary coca growing replacement and reduction. [passage omitted]

At the end of the meeting Alternative Development Under Secretary Anibal Aguilar Gomez, in his capacity as president of the Inter-American Commission for Drug Abuse Control (CICAD), stressed his satisfaction over the approval of the PIDYS regulations.

PRC Experts To Repair Irrigation System

PY1407010689 La Paz PRESENCIA in Spanish 3 Jul 89 2d Section p 1

[Excerpts] Cochabamba, 2 Jul (PRESENCIA)—A technical delegation, consisting of 28 experts, is about to begin to repair the Cochabamba irrigation system. The work will officially start upon the arrival of Jose Guillermo Justiniano, minister of Agriculture, Livestock and Campesino Affairs (MACA).

MACA regional director Fernando Rodriguez Gamboa told PRESENCIA that all the equipment, machinery, and supplies are in place and work is ready to begin. Approximately $4 million will be allocated to this project which will last 2 years.

This project will be financed by the PRC, which has also provided 1,500 metric tons of machinery and equipment that will be used to recover some 30 percent of the water that leaks from the existing canals.

The MACA has designated specific areas for the Alalay, south of Cochabamba, for this project. Supplies, equipment and machinery have been stored there. Offices for planimetric and laboratory work have also seen set up there. [passage omitted]

This project is considered to be "very important" because it will allow the recovery of water that is needed to irrigate between 1,500 and 2,000 additional hectares. The current system, which benefits about 5,000 people, irrigates 8,000 hectares.

Leftist Party Members Return From Soviet Union

PY1107140289 La Paz La Red Panamericana in Spanish 1130 GMT 11 Jul 89

[Excerpt] Members of the MIR [Movement of the Revolutionary left] have returned to Bolivia after a trip to the Soviet Union, where they had a full agenda.

Luis Gonzalez Quintanilla, a MIR leader, reported that they evaluated topics pertaining to international politics; the fight against sectarianism, dogmatism, and hegemony; and the need to open more channels for consolidating democracy. [passage omitted]

Bomb Explodes in Santa Cruz Mormon Church

PY1107132089 La Paz La Red Panamericana in Spanish 1130 GMT 11 Jul 89

[Report from Santa Cruz]

[Excerpt] At approximately 2225 [0225 GMT] last night a powerful bomb exploded inside the Mormon Church of Santa Cruz de la Sierra, which is located on Aleman Avenue.

The powerful bomb practically shook the concrete foundations of the building, where a medical unit called San Carlos is also located.

Members of the Anti-explosives Brigade arrived immediately at the site, and they reported that the damage is serious.

Neighbors, who asked not to be identified, indicated that the bomb was probably placed inside while the Mormons were holding their service, and it is presumed that this is another attack by the Zarate Willca group.

The Mormons and their bishop, who did not want to be identified, have indicated that the bomb was probably placed in the church while they were holding their service.

Some neighbors have said that they saw a white car trying to escape, but it crashed into a wall and a person got out and boarded a bus.

There are many contradictory versions regarding the incident. Approximately 1,000 persons gathered in front of the church and had to be dispersed by the Military Police. The police chief has reported that as of 2300 last night no one had been arrested, and that the investigation would continue today. [passage omitted]

Chile

Hernan Buchi Accepts Presidential Nomination

PY1307033089 Santiago Domestic Service in Spanish 2300 GMT 12 Jul 89

[Text] Hernan Buchi has formally accepted the presidential candidacy proposed to him by his supporters. Buchi has promised to honorably defend the principles for which he has struggled while serving in President Pinochet's administration.

Bucci accepted the nomination during a special ceremony at the Santiago International Fair, FISA, in Parque Cerrillo. Journalists of this radio station covered the ceremony. This is a report by Hugo Reyes:

Speaking to thousands of independent supporters a few minutes ago, Buchi said: I have accepted your request, and I promise to become a presidential candidate. Buchi also urged the political parties and their leaders to join the presidential campaign which he begins with faith and dedication so that the market economy implemented in the past few years can be promoted.

Journalist Mario Reynes reports: We are now going to report on the speech delivered by Buchi to some 5,000 or 8,000 people gathered at the FISA.

[Begin Bushi recording] Dear friends: Despite my earlier refusal to accept the nomination, you have insisted. I now accept your request. I am at the service of Chile. I am honored by my nomination as a presidential candidate. [applause] [end recording] Later, Buchi continued to appeal to the Chilean people.

[Begin Buchi recording] You no longer need insist. I am willing to run for the presidency. [applause] I have great faith in Chile and in our project. I am willing to put my experience and knowledge at the service of Chile so that peace and progress can prevail in our country. We have a hard task ahead of us. Our campaign should publicly promote tolerance and other qualities required to achieve development first and ultimately peace, democracy, and progress. [end recording]

Buchi made these statements before some 8,000 people at Parque Cerrillo. After the ceremony, Buchi briefly met with a group of supporters.

Buchi also said that the poorest sectors will be seriously harmed if we take the wrong course again. He added that Chile has the best people. Buchi said: We have to restore harmonious coexistence; we have to project Chile abroad; we have to improve health, education and job conditions as well as the situation of Chilean women.

* Consequences of Buchi Pullout Viewed

33480202 Santiago CAUCE in Spanish 22 May 89 pp 16-19

[Article by Jose Joaquin Brunner: "Buchi Pulls Out; Reality Sets In"]

[Text] Hernan Buchi's decision to pull out of the presidential race as the regime's "projected" independent candidate brings one phase of the complex process of political reorganization that began in the country last 5 October to a close. Many commentators have dwelt on the outward, personal aspects of the decision made by the former minister of finance. His authenticity, honesty, and sense of personal autonomy are mentioned. Comments allude to his television appearance which, because of circumstances surrounding it, actually turned out to be a rather unimportant and somewhat melancholic event.

The truth, however, is that what happened and its effects are little related to Buchi's personal and subjective traits and qualities. In the final analysis, Buchi, as a private individual with his totally human vacillations and contradictions, is of interest only to his family and friends. In contrast, the country was concerned about the candidate, the public man, the former minister, the potential new leader of the right, the standardbearer of an emerging generation, the bridge between the old regime and the one now being molded.

Legacy of a Passing 'Phenomenon'

In this area, where politics meets public opinion, not only was Buchi a disappointment, but he further deepened the process of isolation of the cupola or vertex of the military regime. His decision not to run further narrowed the already small field in which the government could maneuver. By disappearing from the political scene, Buchi gradually put out a clear signal: The conditions for a leadership emerging from the very bowels of the military regime do not exist. In other words, there is no possibility of anyone playing the role as Pinochet's successor or legitimate heir, not even as a hinge between the current and future governments.

At the same time, Buchi was putting out another important signal: He has nothing to say to his followers, which reveals the artificiality of his contradictory and fleeting career as a candidate for the leadership of the right. The truth is that Buchi never succeeded in gaining an autonomous base of support, and this fact is reflected in the polls. Indeed, his potential base never exceeded the group of voters that any other candidate of the right could eventually obtain. A third of those who said they would vote for him is the same third that would go to the candidate of the right in any presidential race almost regardless of his name. In other words, except in the imagination of analysts and public relations experts who wanted to encourage the candidacy of the former minister, no "Buchi phenomenon" ever existed.

Time for the Parties

Buchi's disappearance from the election campaign has a series of interesting consequences. First of all, it strengthens the emerging party system in its reconstruction phase. Next, the failure of the "Buchi adventure" will finally convince the forces of the right of at least one thing: that it is not possible to meet the democratic challenge on the basis of charismatic wagers and putting off the parties themselves. This lesson should have been learned by the right with Alessandri in 1958, for it led to the 1964 election defeat. In spite of this fact, the right again insisted on an "independent" in 1970 and, after the military coup, became immersed in itself, making the emergence of an authoritarian leader possible. Led by the UDI [Independent Democrat Union], sectors of the right have now tried again, this time with Buchi, to dodge the parties and build an "independent" leader.

The basic issue, which will now appear more clearly, is that the right does not need leaders but rather, one or two important parties that represent and express it organically. In the future, as happens under any stable democratic regime, these parties must give rise to political and public opinion leaders who will guide the forces of the right.

'Natural' Leadership

The second foreseeable effect of Buchi's desertion is that it will now give way to the right's real leaders. Sergio Onofre Jarpa immediately takes his place as the first "natural" choice as the right's candidate. He leads the sector's largest party , has extremely broad support in his community, is a known and tested leader, and has provided indications of a "new style" and political "renewal" going far beyond what has been achieved by any of his detractors in the right's own camp. The very fact that Jarpa is not identified with the neoliberal technocracy of the regime, that he has kept his distance from the UDI, that since the very night of 5 October he has adopted an independent position vis-a-vis Pinochet and his claims of continuity in office and headed talks with the opposition concerning constitutional reforms, places him in an unbeatable position for leading the right during the current transitional phase.

Comparative Advantages

The third effect of Buchi's withdrawal is showing in advance that the right's possibilities of winning the next election are minimal or nonexistent, which also strengthens Jarpa's potential candidacy. After all, what sense would it make for the right to be defeated with Buchi or any other "independent"? If defeat is a realistic possibility, then the right should prepare to form the opposition in the next Parliament. And if it wants to look to the future, beyond an imminent election defeat, it must be a coherent opposition force capable of reaching agreements with the new government. It is reasonable to assume that Jarpa meets the necessary requirements to play both roles: that of leader of the future opposition and that of a skillful negotiator with the next government. In addition, his ability as a builder of parties is almost universally recognized.

Mirage Effect on Opposition

For the opposition Concertacion, Buchi's withdrawal creates an ambiguous phenomenon. It now begins to feel like a safe candidate for victory in December, but the likelihood of victory is not always a good adviser. It increases ideas of participating in government on the part of those already presuming themselves to be victorious. It reduces pressure for cooperation and can render negotiations on parliamentary lists even more complicated. Christian Democrats in particular might feel the temptation to impose their own weight and relax their effort to negotiate the participation of all Concertacion forces in opportunities to gain access to Parliament. It is therefore possible that in the days ahead, we shall witness an intensification of tensions within the Concertacion. A shift in that direction would probably be the most distant and paradoxical effect of Buchi's pullout, for it would imply that within the opposition, a mirage has been created that what is at stake is a presidential and parliamentary election rather than what is in fact occurring: the possibility of moving coherently from authoritarianism to democracy.

Revival of 'Pinochetism'

The fifth and least visible effect of Buchi's withdrawal is that risks to the transition remain latent and begin to emerge once again. It is a well known fact that Pinochet's reluctant attitude toward Buchi was one of the reasons forcing the latter to reconsider his decision to seek the candidacy. In the new "vacuum" created by the former minister in withdrawing to private life, Pinochet's expectations of once again occupying the center of that space will be strengthened. Different inorganic sectors of the right: nationalists, phantasmal fronts, pro-regime trade union leaders, "independent" groups, women's organizations led by Lucia de Pinochet, and so on, will insist that the General return to the fray. The UDI will have to opt between isolating itself in order to continue to exist alongside Pinochet or lose its identity and draw closer to the "central current" of the right, meaning the National Renewal [RN]. Due to the domino effect produced by the new picture, the latter party will have to consolidate its distance from Pinochet without thereby breaking its connection with Pinochetist sectors.

And yet, the most important thing now is what the Armed Forces decide to do in this complex panorama of shifts and realignments. It appears clear that in three of the branches, a certain sensitivity to the National Renewal is gaining ground. Its moderating role in the process of negotiating constitutional reforms reflects that sensitivity.

Voice of the Army

Things are more complicated in the Army, as one might suppose. Its role has been that of the main pillar of the regime, and the head of the government does come from its ranks. Consequently, its next steps on the increasingly realistic scene produced by Buchi's withdrawal must at the same time be more calculating.

With the way now paved for a very likely opposition victory, the Army has in fact taken a first and decisive step. Its deputy commander in chief, General Zincke, gave what an evening newspaper described as an "unusual press conference" on Thursday, 18 May. It was unusual, but not surprising. Some gesture from the Army was almost to be expected, for under the new circumstances, the armed institution needed to make its voice heard and publicly set itself up as a protagonist in the transition. There had been hints of this several weeks ago when the Army gave its own opinion and leaked opinions to the press.

It is interesting to note that on that occasion General Zincke spoke freely about his commander in chief and even, concerning the latter, repeated (as one could have predicted he would) that Pinochet should continue as commander in chief of the Army, as stipulated by the constitution, he being the person who "should make any decision on the matter." Even more ambiguous was the response of the deputy commander in chief of the Army regarding a possible Pinochet candidacy for the presidency. In his personal opinion, "it would be good for the country," a statement that puts Zincke in obvious opposition to the majority feeling of the country and creates one more reason for separation between the voice of the Army and the majority vote expressed in October and all subsequent polls.

The deputy commander in chief of the Army then turned to other issues in a biased and controversial fashion, touching upon several topics of great political relevancy and thereby showing that the Army is willing to talk on such topics: the future Armed Forces budget, past human rights violations, the CNI [National Information Center], the Army's relations with the United States, a reduction in the number of generals, a return to professional activities of members of the Army, and so on.

It would be counterproductive not to take the words of the deputy commander in chief of the Army seriously or flatly reject those statements that are most controversial or furthest removed from the new reality beginning to take shape in the country. On the other hand, it would be wise to view them as the opening of talks which, carried out seriously and discreetly later on, might help generate a climate of dialogue among the Armed Forces and political groupings interested in guaranteeing an effective transition to democracy.

Chamber of Commerce Signs Accord With Hungary

PY1207154989 Santiago EL MERCURIO in Spanish 1 Jul 89 p B-1

[Summary] Daniel Patovsky, chairman of the National Chamber of Commerce, has signed an agreement with the Hungarian Chamber of Commerce for the exchange of information, the organization of exhibitions, and trade for the private sector. Official figures on current trade in Hungary stand at $960,000. Indirect trade, however, amounts to some $22 million. [time frame not specified]

CUT Leaders Charged With Inciting Strike

PY1307160089 Santiago Domestic Service in Spanish 1030 GMT 13 Jul 89

[Text] Judge Juan Guzman Tapia has formally charged CUT [Sole Central Organization of Workers] leaders Diego Olivares, Nicanor Araya, and Sergio Aguirre with inciting workers to stage a general strike, thus clearly violating Article 11, Item 2 of the National Security Law.

At the request of the Interior Ministry, the three CUT leaders—who have been released on bail—were tried for having incited workers to stage a countrywide general strike on 18 April.

Eleven Abducted Slum Dwellers Released

PY1307193089 Santiago Radio Chilena Network in Spanish 1700 GMT 13 Jul 89

[By Reinaldo de Rios]

[Excerpts] The unidentified abductors have released the 11 people they had abducted at the Jose Maria Caro slum. The 11 slum dwellers were in a state of shock, but safe and sound. They were abducted from their homes early in the morning on 12 July.

At about 2000 last night the abductors blindfolded and released the dwellers in various parts of the slum. Before releasing the dwellers, however, the abductors made dossiers on them.

Jose Bilis, relative of one of the abducted youths, reported on the abduction to Radio Chilena:

[Begin recording] [Bilis] They returned home last night.

[Reporter] All of them?

[Bilis] Yes, I believe that they all did. Yesterday, Investigative Police personnel came to the slum to investigate what had happened. They looked for evidence, looked at the holes in the wall. You can see that the holes had been made by bullets. [passage omitted]

[Reporter] Did the abductors finally identify themselves?

[Bilis] No, they blindfolded the youths and confused them by taking them from one vehicle to another.

[Reporter] What did the abductors ask the youths?

[Bilis] About weapons. [end recording]

As it has been announced, lawyers have filed a petition for a court injunction on the youths' behalf. The dwellers now wonder who will pay for the damage caused by the mysterious hooded men who raided the Jose Maria Caro Slum.

Colombia

Salinas Ends Visit to Colombia; Accords Signed

PA1307011989 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 12 Jul 89

[Report by Javier Solorzano and Raul Rodriguez from Bogota—recorded]

[Text] President Carlos Salinas de Gortari concluded a visit to Colombia which lasted a little over 24 hours. The president participated in many activities while in that country, and the Colombian press published many reports on the visit.

While touring the streets of Bogota, President Salinas de Gortari greeted the Colombians and his greetings were enthusiastically returned. The president also met with the country's intellectuals, who said it was a meeting of minds for reflection. There is great admiration and love for Mexico in Colombia and it is evident in the contacts between the two nations. This was the prevailing atmosphere during the president's luncheon with intellectuals. The luncheon was one of the most interesting points in his visit, aside from his meetings with President Virgilio Barco. At the end of President Salinas de Gortari's visit, the two presidents signed a nine-point agreement, and a declaration on the historic visit, given the current status of Mexican-Colombian relations.

Mexico wants to change its image abroad, particularly in Latin America. Mexico wants to integrate itself with realism, without rhetoric, and is internally modernizing itself in every sector. Within this process, the central point of its political evolution is its abidance by the law, respect for the voters' will, and acceptance of the results of freely cast ballots. All this was stated by the Mexican president during talks with foreign reporters in Bogota, where he was asked what the common denominator was of his first state visits to Latin American countries, meaning Venezuela and Colombia, which concluded this evening.

President Salinas de Gortari has concluded a busy, but productive state visit in Bogota. Presidents Carlos Salinas de Gortari and Virgilio Barco signed 10 specific agreements, including a plan to increase their bilateral cooperation and economic activities, technical and scientific cooperation in the energy and mining sectors, exchange and cooperation in the coal sector, cooperation in the prevention and control of drug abuse and trafficking, and technological and cultural cooperation.

Today's activities included a lengthy meeting between the two presidents in Narino Palace. It was a friendly meeting during which Carlos Salinas and Virgilio Barco reasserted that progressive and balanced cooperation is one of the loftier goals in the region, given Latin America's acute problems. The presidents of Mexico and Colombia also condemned terrorism; and confirmed that political solutions, accompanied by an intensive development program, represent the optimum solution for Central America.

* Poll on Barco, Institutions, Problems

33480206a Bogota EL TIEMPO in Spanish
2 Jun 89 pp 1-A, 3-A

[Text] Even though he is going through the critical period of his ride into the sunset, President Virgilio Barco "scraped by" in the exam that EL TIEMPO, Reportajes Caracol, and DIARIO DEL CARIBE administered to him through the National Consulting Center, obtaining a grade of 6.2 out of 10.

The survey, conducted among people belonging to different political parties and social strata, indicates that the chief of state's image has improved slightly in the court of public opinion, which 3 months ago gave him just 5.3.

Grading the Barco Administration

Date	Grade
February 1989	5.3
May 1989	6.2

Moreover, the respondents indicated that the problems affecting their pocketbooks are more severe than those assailing their security.

Whereas unemployment, high prices, and poverty are regarded as the most serious problems by 61.1 percent, the guerrillas, drug trafficking, lack of security, and paramilitarism are described as such by 36.3 percent.

Most Serious Problem in the Country Today

Problem	Percent
High prices	14.4
Paramilitary	3
Education	2.9
Housing	1.7
Security	9.1
Drug trafficking	10.6
Guerrillas	13.6
Poverty	13.5
Unemployment	33.2
No answer	0.3

The respondents were also asked for their opinion about the justice system, education, and Congress.

Only education passed, as the prestige of the other two institutions remains badly tattered. Some 67.8 percent have a negative view of the justice system, and 60.8 percent feel the same way about Congress.

Image of the Following Institutions

	Justice System	Education	Congress
Positive	29.2	60.4	34.9
Negative	67.8	37.4	60.8
No answer	3.0	2.3	4.2

You say that President Barco is an odd fellow? What is happening to his administration is even odder. One does not have to look too far: every administration, at least in recent times, has lost prestige and wearied people as it rode into the sunset. The opposite seems to be happening to Barco.

Just 3 months ago, at the beginning of the year, the poll that was conducted by the National Consulting Center for EL TIEMPO, Reportajes Caracol, and DIARIO DEL CARIBE flunked him, as the respondents from all parties gave him a mediocre 5.3.

Today, 14 months before his administration ends, when others have lapsed into the labyrinth of decline, the Barco administration passes with 6.2 out of 10.

Is this surprising? Let's see. When he flunked, the violence caused by subversion and drug trafficking were major factors. And the president himself acknowledged as much in an interview with this paper.

Today, his image in the public's eye has improved as official action against violence has been stepped up: a tough approach to paramilitarism, the dismantling of schools for assassins, the purge of military personnel suspected of being on good terms with drug traffickers, dialogue with the guerrillas.

It is true that the Liberals give him the best individual grade, 6.8. But it is also a fact that Conservatives, who in February gave him a 5.1, now give him a 5.8, while leftists and the unaffiliated, who back then handed him a 4.5, today give him a 5.8.

What is more, 31.8 percent of the respondents feel that the administration is doing better today than a year ago, and 43.9 percent see it as doing the same, while 24 percent feel that it is doing worse today.

How Do You View the Barco Administration?

Reply	Percent
Worse than a year ago	24.1
The same as a year ago	43.9
Better than a year ago	31.8

Oddly enough, the grades do not vary from stratum to stratum: the upper and lower class give him a 6.2 and the middle class a 6.1.

Now then, the improvement in his image is slight. If we bear in mind that the president is playing a more direct and personal role, which is what was asked of him before, and is doing so on the issues that the people wanted him to, public opinion is still noncommittal, as 6.2 is a "scrape by" pass.

The Administration and Justice

If we look at the findings of the poll by city, the trend is, to say the least, contradictory. In Cali, where Mayor Carlos Holmes Trujillo is acknowledged to be doing a good job, the administration's grade is a high 6.7. In Bucaramanga, in contrast, where the city government is also well thought of, the national government loses out with 5.8.

Barco's Grades by City

City	Grade
Bucaramanga	5.8
Medellin	6.3
Barranquilla	5.9
Cali	6.7
Bogota	6.1

Besides the image of the president and his administration, the poll asked people what they thought about the justice system, education, and Congress. The findings are not that surprising. They coincide with the views that can be sensed every day around us.

Some 67.8 percent of the respondents have a distinctly negative opinion of the justice system, while just 29.2 percent feel that it has a positive image. Congress is doing just as poorly: 60.8 percent give it a failing grade, while 34.9 percent see it in a positive light. The opposite is the case with education: 60.4 percent of the respondents have a positive opinion of it and 37.4 have a negative one.

As with the opinion of the administration, the findings of the poll do not vary much when broken down by cities or social strata. The negative opinions of Congress and the justice system show the same curves.

In contrast, people's opinions of the country's most serious problems are more telling.

Lumping together those who feel that insecurity, drug trafficking, the guerrillas, and paramilitary activity represent the worst problem, we see that these violence-related issues account for 36.3 percent of the respondents, while 61.1 percent regard unemployment, poverty, and high prices as the most serious problems.

Conclusion: regardless of how much blood is being shed, people in different cities and social strata still feel that what affects their pocketbooks is touchier. Individually, unemployment with 33.2 percent, and high prices with 14.4 percent stand out as the most serious problems. Even among the upper class, where these two scourges have less of an impact, they are mentioned by 26.8 and 15.5 percent of the respondents, respectively.

Perhaps because it is a relatively new phenomenon, paramilitarism is regarded as a serious problem by just 3 percent of the respondents, and only in the middle and lower classes, because the upper class does not mention it as a problem.

The Poll

The poll was conducted on 27 and 28 May in the cities of Bogota, Medellin, Cali, Barranquilla, and Bucaramanga.

Six hundred and sixty-one people of both sexes, different political parties, and distinct social and educational levels were surveyed.

The ages of the respondents were divided into 3 groups: 18 to 25, 26 to 39, and over 40.

* Party Candidate Selection Processes Viewed

33480206b Bogota EL TIEMPO in Spanish
28 May 89 p 2-B

[Article by Guillermo Perez: "Parties at Odds Internally Over Mechanics"]

[Text] Electoral mechanics, rather than ideas, have the traditional parties at odds internally, as they are immersed in what could be called hair-splitting discussions about the advantages and disadvantages of consulting the people and about whether the decision of a convention can be postponed.

For several weeks now Liberals and Conservatives have been preparing for the traditional battle: the elections of public institutions, mayors (the new ingredient), and the president of the Republic alike.

But the number one topic of discussion has not been ideas, as one would have have expected, but rather the mechanisms.

Several weeks ago a sharp controversy broke out in the Liberal Party about whether it would be a good idea to hold a popular consultation to choose the presidential candidate on the same day that elections for public institutions are held.

In turn, the Conservatives are respecting the traditional mechanism of a convention. But the faction that is friendly to the former presidential designate, Alvaro Gomez Hurtado, is in favor of postponing a decision about candidates until the Liberal Party has chosen the person who will represent it at the ballot box in May of next year.

There is only one argument for this approach: it would be best to find out who our opponent is so that we can then choose the person best suited to run against him.

Deep down, of course, there is another problem: the increasingly sharp confrontation between the heads of the opposition party's two factions, former Presidential Designate Gomez Hurtado and former President Misael Pastrana. But the convention is the place to make a decision: in November, as scheduled, or next year.

The various candidates for the two nominations have, of course, set forth proposals about how the government ought to be run and about solving various national problems. But this debate has been pushed into the background. The forest is not being seen because of the trees.

Popular Consultation

The critics of the popular consultation, which was established by law and regulated by the Liberal Board, have put forth all sorts of arguments against it, none of which, in their view, has been countered: there has not been a single agreement on a single candidate for mayor; the costs of the campaigns threaten to run into the millions; there is not enough time between the nomination and the election to run a campaign; other parties could interfere with the Liberal decision; the delegates to the convention at which the candidate will be chosen or confirmed are the same ones who will attend the July convention, not the ones who will be elected at the March balloting.

The voices that were raised against the consultation were few and far between at first. Only Senator Eduardo Mestre spoke up against it, outlining in different forums the dangers that in his view would be entailed by holding it on the same day as elections for the institutions.

But the number of critics has increased as time has past. And new arguments against the procedure have been advanced. For example, the chairman of the Impeachment Committee of the House, Tiberio Villarreal, conducted a calm study of the issue and concluded that the Cartagena convention was not empowered to approve the consultation. There are several reasons, but the most important are: it was a special convention, and the bylaws speak of regular conventions to amend the bylaws; and it was called at the behest of the National Board, when the board of legislators should have done so.

But the defenders of the consultation have arguments, too: a decision is left up to the party's activists, and the issue of choosing the candidate, which had previously been reserved for a select group of delegates, is being democratized.

They also contend that there is enough time for the campaign, inasmuch as the hopefuls will have already started their own separately, and that there are mechanisms for preventing interference by other parties from being decisive.

And there is something else: it forestalls surprises that, as has happened before, could trigger a split.

But the arguments of the consultation's critics seem to have sunk in with many Liberals, and the party has reached a point that could allow for a compromise: hold the consultation, but in late 1989, not in March of next year. There would thus be enough time for the campaign, costs would be cut, and there would also be time for the nominee to bring the party together again. There have been contacts in recent days between the faction that wants to move the consultation forward and the backers of this procedure. For example, former Attorney General Horacio Serpa Uribe, who is Senator Ernesto Samper's debate chief, and Senator Mestre have spoken in recent days, and Senator Mestre and Senator Hernando Duran Dussan have also conversed.

These contacts could lead to changes in the consultation at the July convention and to its being moved up to this year.

The Conservatives' Problem

The problem in the Conservative Party is different. The Pastrana and Alvaro factions are at odds over the nomination but for the time being are showing each other their claws over the convention.

Prominent spokesmen of the Alvaro faction have proposed that the convention called for 9 November not make a decision on the candidate and instead postpone it until the name of the Liberal opponent becomes known.

But the Pastrana faction is standing fast. For example, the president of the National Board, Carlos Martinez Simahan, indicated last Friday that by law the convention cannot be postponed.

"Proposing to me or to the board that we postpone the convention would be like proposing to President Barco that he postpone the elections for Congress or president of the republic," Martinez Simahan said in flatly rejecting his political rivals' idea.

Deep down, however, the issue of whether to postpone the convention is not what is dividing Conservatives. The fact is that the Alvaro faction again wants to impose its presidential candidate, and the Pastrana faction is not inclined to vote for the former designate a third time.

There is something more: Gomez is reportedly determined to run and not to attend the November convention so as not to compromise himself. Moreover, several times he has proposed an accord with the Liberal Party and other forces to select a candidate, thus pulling an end run around the convention.

Former President Pastrana has disavowed such a coalition, as he does not think that the support of other forces is needed to win back the presidency.

The feud has many Conservatives worried, and compromises are being sought so that the Alvaro faction, which did not agree to be represented on the current National Board, will attend the convention. Otherwise, the split will have been made official. And as one Conservative leader acknowledged: "If the Conservative Party splits, it will take many years for it to return to power."

But the average voter has not heard any talk of peace, the government-opposition arrangement, the economic model, drug trafficking, and unpunished crime. As former president Alfonso Lopez Michelsen put it, no doubt the major issues "are yet to come."

* Court Ruling on Self-Defense Groups Viewed

33480207b Bogota EL TIEMPO in Spanish
27 May 89 pp 1-A, 14-A

[Article by Edgar Torres: "Much More Than a Judicial Decision"]

[Text] Above and beyond strictly legal "minutiae" and the psychological relief offered by the ruling, the Supreme Court's thumbs down on self-defense groups could pose a challenge to the government.

Government institutions are, in fact, virtually powerless to guarantee the safety of their members.

"There can be no doubt," Rafael Pardo, the presidential adviser for peace, normalization, and reconciliation affairs, observes, "that we will have to evaluate the content of the decision and adopt the measures that will enable us to guarantee its applicability."

Contrary to what one might think, his observation is much more than just a trite remark. The ruling that Paragraph 3 of Article 33 of the National Defense Statute is illegal will demand a government that is meaningfully committed to dealing with actual conditions in the country.

In practice, now that the legal basis for irregular organizations has been shattered, citizen security again becomes the exclusive responsibility of the Military Forces, the police, and the justice system, among others, in other words, the institutions that the constitution has provided for this purpose.

"The ruling reassigns to the 'establishment' an obligation that by law corresponds to it: the well-being of citizens," acknowledges General Miguel Antonio Murrillo, the secretary general and official spokesman of the Defense Ministry. In other words, the court has returned to Caesar that which is Caesar's.

In the judgment of spokesmen for the justice system, the traditional parties, and the Patriotic Union, this mission should never have slipped from its hands.

Diego Montana, the president of the Patriotic Union, contends in this regard that "this is what we have persistently told President Barco and the senior officials in the Defense Ministry. There can only be one regular force: the one that our constitution provides for. Anything else is outside the law."

The Why of the Decision

It is an open secret that the self-defense groups, which emerged 5 years ago and later consolidated, had two vital allies during their initial stage.

The first was the practical and "admitted" inability of government to offer protection to mainly rural groups that for decades had been subjected to the whims of subversive organizations. The Magdalena Medio is an example.

The other was the legal provisions that supported the existence of these self-defense groups. Once TV cameras identified the first such organizations in July 1987, these provisions had vehement defenders, among others the erstwhile justice minister, Jose Manuel Arias Carrizosa, and defense minister, Gen Rafael Samudio Molina.

Confidential reports about this past that were delivered by security agencies to President Barco and his team of advisers are sufficiently illustrative.

These groups, the documents indicate, had the support of some landowners, merchants, industrialists, and simple owners of livestock herds or farms. "They looked favorably on the consolidation of such organizations," one researcher indicates.

"The reasoning was simple," observes another high-level administration official. "If the State cannot offer us protection, we have to provide for it ourselves."

The public perceived the danger only somewhat later on, and once again in the wake of action by the organizations in question. In Bucaramanga, Cali, and Medellin, among other cities, there appeared sinister organizations that, in the words of Omar Henry Velasco, the current national director of criminal proceedings, repealed the right to life and began going around killing citizens left and right.

Later, on 30 September 1987, when Interior Minister Cesar Gaviria admitted during a debate in Congress that there were at least 100 self-defense groups, the rapid proliferation of such organizations became evident.

Nevertheless, it was only after the 70 massacres in 1988 and, finally, the assassination of a judicial committee in La Rochela, that the government and the public became certain that "the country," as a confidential DAS [Administrative Department of Security] report to the administration indicated, "was being besieged by reckless organizations, paramilitary groups on the one hand and subversion on the other."

This is shown by the measures that President Barco took some weeks ago (emergency decrees that suspended the provisions which enabled the self-defense groups to consolidate and that ordered the creation of an elite corps to combat them).

This political determination now has another supporting element, and one that could be definitive: the pronouncement of the court. "The number one ally of this kind of organization has disappeared," contended a member of the court who asked that his name not be mentioned.

The other, the government's "powerlessness" to guarantee people's security, remains to be seen, especially now that the Armed Forces have to extend their operations into "new" flanks: traffickers and paramilitary groups.

In short, Diego Montana notes, this is "the task of disarming all of the irregular organizations." It is a titanic task indeed, inasmuch as financial and logistic efforts will have to be redoubled.

This is especially so if we bear in mind Gen Samudio Molina's warning to Congress: the lack of infrastructure has prevented the Military Forces from making their presence felt in various areas of the country.

[Box, p 14A] Weapons Exclusively for Armed Forces Use

Weapons that have any of the following devices attached to them are considered to be for the exclusive use of the Armed Forces:

1. Aiming: infrared, electronic light-amplification, telescopic, spotter, laser, and other similar sights.

2. Special accessories: silencers, folding stocks, grenade launchers, barrel extensions, and other similar devices.

The following ammunition is also included: coated, hollow-point jacketed, soft-point jacketed, dumdums, explosive tip, incendiary, poisoned, and those manufactured with special alloys to enhance their destructive power or in which the chemical composition of the powder has been altered.

Weapons and ammunition for personal defense are understood to mean pistols and revolvers that possess the following specifications: maximum caliber of 9.652 millimeters (.38 caliber) and a maximum barrel length of 15.24 centimeters (6 inches). Their operation must be repeating or semiautomatic. The capacity of the loader cannot exceed 9 cartridges, with the exception of those that are originally 22 caliber, in which case the maximum is 10.

Also considered personal-use firearms are shotguns of any caliber whose barrel is no shorter than 40.64 centimeters (16 inches) and that have been approved for security and guard-duty purposes on urban and rural property, which are the only activities for which bearing them is authorized.

Sporting and hunting weapons are shotguns of any caliber whose barrel is no shorter than 40.64 centimeters (16 inches) and that are used exclusively for hunting. To this end, the regulations issued by the Colombian Federation of Shooting and Hunting and the International Shooting Union are taken into account.

There are also collector's weapons. The collector must be affiliated with an association that has been legally established to maintain, acquire, or transfer collector's weapons.

*Latest Economic Trends Show Economy Slowing

33480207a Bogota EL TIEMPO in Spanish 4 Jun 89 p 3-B

[Fedesarrollo Monthly Report: "Uncertainty Persists"]

[Text] The controversy over Colombian production activities has become agitated again, and with good reason. As new official figures appear, they confirm that the economy has worsened over the past year. The evidence that there is a recession is now conclusive. Some indicators suggest that the worst of the recession is past and that there are signs, albeit weak ones, of a recovery. These signs do not, however, permit the conclusion that a recovery is firmly under way. Consequently, there is mounting uncertainty about whether the growth targets proposed by the administration can be met this year.

It would be well to review some of the data so as to assess the severity of the recession, which several unions and independent research groups have been heralding since the second quarter of 1988. The growth rate of the overall production of goods and services, which was 5.1 percent in 1986 and 5.8 in 1987, dropped to below 4 percent in 1988. Although there is not yet an official DANE [National Administrative Department of Statistics] figure for the latter year, Fedesarrollo [Federation for Development] has made a preliminary estimate of 3.8 percent, and the National Planning Department has put it at 3.7 percent. The growth rate of industrial production (as distinct from coffee processing) fell from 7.1 percent in 1987 to 3.7 percent in 1988, according to figures compiled by DANE itself. And retail sales, which had been up 7.9 percent in 1987, rose by only 5.5 percent last year.

Slower Growth

The above figures are comparisons of average output levels for each year. The outlook is much more discouraging when the monthly trend in industrial production indices and retail sales is analyzed and the purely seasonal variations that these indices typically show every year are factored out. A comparison of the annual rates shows growth because the levels of output and sales rose rapidly throughout 1987 and were particularly high in the early months of 1988.

Nonetheless, the levels not only stopped rising throughout last year but even began to fall in absolute terms. During the last few months of 1988 and the early months of this year they were below where they were a year before. In fact, in January and February 1989, the last months for which DANE has figures, industrial output was down 2.6 percent from the same months the year before. And retail sales were down 3.6 percent.

Thus, growth did more than just slow throughout last year. What we had was an overt recession, with a fall in the absolute levels of production and sales.

Encouraging Signs

There are, however, some encouraging signs. If we take the monthly DANE numbers and factor out the purely seasonal fluctuations, the lowest levels of industrial production and retail sales were seen around October and November 1988, at which point a relative recovery began. The trend that started in December of that year and that continued in January and February 1989 can therefore be described as positive, although production and sales during those months were still lower than they were a year before.

The polls that Fedesarrollo conducts among industrialists and merchants are also showing some positive signs. Business expectations, which worsened sharply throughout 1988, recovered strikingly from December 1988 to March 1989. Unfortunately, however, this positive trend did not continue in April. Moreover, the improvement that was also showing up between December and February in the poll's indicators of current business conditions reversed itself somewhat in March and April.

Other encouraging signs can be seen in the construction sector, which was hit particularly hard in 1988 by the liquidity restrictions of the Corporations of Savings and Housing. Since the last quarter of that year, when the restrictions began to be eased, the expectations of the sector's businessmen have posted a striking upswing.

Obstacles to Recovery

The encouraging signs of recent months will be little consolation, however, unless they endure and intensify in the months to come. They are as yet very weak and are far from reflecting a clear-cut trend towards recovery. Serious reasons for uncertainty persist in all sectors. In construction, a relative saturation of the luxury-housing market is compounded by the serious difficulties that the financing of low-cost housing is faced with today.

For their part, the industrial and commercial sectors are threatened by high interest rates. Production on the whole, moreover, is faced with the danger of a fresh contraction in aggregate demand. The fall in the real income of coffee growers, caused by the low production levels of the grain in recent months, is a particularly serious threat to a satisfactory trend in demand.

In addition, the delays in government investment that the tardy disbursement of the "Challenger" loan will cause could lead to a contraction in demand this year, as happened in 1988.

Under these conditions, the end of the recession cannot yet be regarded as a fact. The existence of certain positive signs must be considered an incentive for the administration to adopt a macroeconomic policy that will bolster them. There are serious threats to the recovery, and only with suitable, resolute, and prompt policies will it be possible to reach the growth targets that the administration itself has set in its macroeconomic program.

Terrorists Attack Oil Pipeline in Arauca

PA1307130789 Bogota Emisoras Caracol Network in Spanish 1225 GMT 13 Jul 89

[Text] Bogota—A new attack against the Cano-Limon Covena oil pipeline, which caused a large oil spill, was carried out this morning by terrorists in Arauca intendancy. According to preliminary reports, the attack occurred near the 45-km marker in Araucita jurisdiction, a short distance from the Cano-Limon Covena oil fields, where large Army units are based.

ELN Attacks Pipeline

PA1407023989 Buenos Aires REUTER in Spanish 0147 GMT 14 Jul 89

[Text] Bogota, 13 Jun (REUTER)—The Colombian Petroleum Enterprise (ECOPETROL) today announced that a guerrilla attack on a vital Colombian oil pipeline last night has forced it to suspend its production of crude oil.

Guerrillas of the National Liberation Army (ELN) dynamited the Cano-Limon Covenas oil pipeline at the 55-km marker, rupturing the line and causing a small oil spill, ECOPETROL spokesman William Giraldo said.

The spokesman added that repairs began immediately and that oil pumping operations at Cravo Norte, the country's largest oilfield, will restart on Saturday.

The 780-km pipeline pumps approximately 220,000 barrels of crude oil a day from the Cravo Norte oilfield in eastern Colombia to the refineries and the port from which it is shipped to the Caribbean.

Giraldo said that thus far this year there have been 25 attacks on the oil pipeline and the oil export terminal in Covenas.

In an assessment of the attacks last month, Mines and Energy Minister Oscar Mejia said that Colombia has lost $204 million this year as a result of the ELN's actions.

The ELN, which is the only guerrilla group that has rejected a peace plan proposed by the government, is carrying out these attacks to force the government to change its oil policy and its partnership contracts with foreign companies.

Medellin Police Foil Attack on Councilman

PA1307184789 Bogota Inravision Television Cadena 1 in Spanish 1740 GMT 13 Jul 89

[Text] Ten people were killed in Colombia during a thwarted attack against Patiotic Union councilman Gonzalo Alvarez Henao in Medellin. The attack took place in the El Pedregal neighborhood, Bello municipality, in the northern part of Antioquia Department's capital city. Authorities report that all those killed belonged to a group of hired assassins. Two policemen were among those killed. Our reporter Lays Vargas has this report:

[Begin Vargas recording] The assailants arrived at the councilman's home in several vehicles. They opened fire on the house. Gonzalo Alvarez' bodyguards repelled the assailants and the councilman escaped unharmed. A police patrol in the area heard the shootout and helped search for the assailants. The search was conducted in the area between the El Pedregal and La Cabana neighborhoods in the area between Medellin and Bello.

The paid assassins clashed with authorities for almost 3 hours in different parts of the northwestern community. Some of the assailants sought refuge in a La Cabana neighborhood home. The police arrived at the home and a long shoot-out ensued, resulting in the deaths of the paid assassins. [end recording]

Venezuela

National Guard Deployed in Merida Following Riots

PA1307204789 Paris AFP in Spanish 2124 GMT 12 Jul 89

[Text] Merida, Venezuela, 12 Jul (AFP)—The National Guard today deployed in Merida, a city in the Andes 600 km southwest of Caracas, following violent disturbances to protest the contamination of the Mucutuy River, which provides water to the city.

The trouble began when the demonstrators--who were protesting that the river was being contaminated by sewers from hotels, cattle ranches, and nearby towns—started to throw stones at the governor's office. The disturbances worsened when the demonstrators went to the University of the Andes, where they were joined by hooded students who tried to grab television cameras from reporters in the area.

Local journalists said several demonstrators were arrested, but there have been no official reports of arrests or injuries.

Local authorities said high school and university classes might soon be suspended.

27 Percent of Budget Earmarked for Debt Repayment

PA1407020289 Caracas EL UNIVERSAL in Spanish 2 Jul 89 p 1

[Summary] According to estimates made by the Central Budget Office, the total national budget for 1990 is expected to be 425.748 billion bolivares. Income from oil is expected to reach 238.755 billion bolivares, based on daily production of 1.626 million barrels at $15 a barrel and at an exchange rate of 38 bolivares to a dollar.

Twenty-seven percent of the total budget—110.478 billion bolivares—will be earmarked for servicing the debt. This figure is broken down to 87.092 billion bolivares for paying the foreign debt and the remaining 23.386 billion bolivares for the domestic debt. The estimates have been sent by the Finance Ministry to the Congressional Finance Committee in accordance with the law that stipulates that this information must be provided by 30 June.

* Armas Credits OPEC With Market Stability

33480210a Caracas EL NACIONAL in Spanish 3 Jun 89 p D-9

[Text] Celestino Armas, Venezuelan minister of energy and mines, stated in Vienna on 2 June that the decisions made by OPEC in November 1988 have been beneficial for producers and consumers of petroleum.

Armas was interviewed by OPECNA, the organization's news agency, upon his arrival in the Austrian capital to attend the meetings of the Committee on Market Tracking, prior to the OPEC conference which will begin on 5 June. He pointed out that in the immediate future it will be important to identify the principal questions, to make adequate decisions on them, and to apply the decisions.

He added: "The experience which we have had since the last OPEC agreement has been good, with appreciable results. Now I want us to be able to maintain the agreement so that the benefits can continue for all participants in the petroleum market."

Armas attached the greatest importance to the OPEC agreements as factors influencing the stabilization of the petroleum market, even though he recognized the role played by passing events such as the accidents in the North Sea and the oil spill in Alaska, which have had some impact on the market.

He commented that OPEC has been able to maintain the production agreements of November 1988 in a disciplined way. An increase in demand in the second quarter of 1989 has resulted from these agreements. However, he did not predict possible increases in demand and production and the way to handle them in the immediate future. This is because "this question is exclusively for resolution at the Conference of OPEC Ministers."

The Venezuelan minister asked the producing countries outside of OPEC to continue their cooperative attitude, which is particularly important during this period of growing demand, when the greatest amount of understanding and agreement is required.

Armas attached the greatest importance to relations between the OPEC countries, as well as strengthening economic and cultural ties. These relationships are useful for an understanding of the ways of life and the problems and needs of each country.

* Withdrawal From OPEC Not Viable Option

33482015a Caracas EL NACIONAL in Spanish 8 Jun 89 p D-19

[Text] There has been discussion recently concerning the reduction in the percentage of Venezuela's share of OPEC's total production or production ceiling, criticizing the fact that, last November, we accepted a slight percentage cut to achieve an arrangement leading to the Conference's agreement on an essential issue, namely, production.

The circumstances and reasons for the position assumed by the Venezuelan delegation, headed at that time by Energy Minister Julio Cesar Gil, need to be specified. On the one hand, we were in a situation marked by depressed oil prices with a tendency to continue declining, pressured by excessive, uncontrolled production. This was due, among other things, to the lack of unity in OPEC on this matter and the fact that Iraq was not associated with the formal agreement on the production ceiling, and was putting some 2.7 million barrels per day on the market, whereas its quota was supposed to be 1.54 million barrels per day, to achieve a balance between supply and demand. Iraq had that nominal quota set by OPEC.

Hence, the efforts of the Conference in November 1988 were aimed at seeking a production ceiling tied to the demand anticipated for the first half of 1989, distributing that ceiling among the 13 members, and reaching unanimity on these decisions. Iraq, with 100 billion barrels of proven reserves and with an urgent need for higher income to pay for its post-war reconstruction, was demanding a quota equal to that of Iran, which was 2.369 million barrels per day. Under these circumstances, after interminable, difficult negotiations, it was decided that Iran, which would not yield a single barrel to its former adversary, should retain its percentage quota, while the other 11 countries were to reduce their percentages by a slight margin to raise Iraq to the same level. When the ceiling was set at 18.5 million barrels per day, the quotas of Iran and Iraq rose to 2.64 million barrels per day. Venezuela yielded one point in its percentage share, but since the total volume to be distributed was larger, its quota increased from 1.571 million to 1.636 million barrels per day.

The orientation of the Venezuelan delegation, which played a mediating and persuasive role acknowledged by other OPEC members, was based on the conclusion that it was more important to achieve unanimous agreement on production and national quotas in order to stabilize the market and improve prices than to maintain a theoretical percentage level of disputable value where real results were concerned at that time, if a certain level of discipline and consistency was not attained in the action taken by OPEC as a whole.

The results for this first half of 1989 are evidence that the November decision was correct. The oil market has had greater stability and prices have been better, so that Venezuela's income appears to be heading toward a level exceeding $9 billion this year, that is, about $1 billion over that of last year.

The Essential Thing Is Oil Income

It is through OPEC decisions that relative control can be kept over oil production on the international level, this level being the key factor for determining oil prices, and hence Venezuela's income from its exports. For this reason, it is important that our delegation has been there since its founding, and has maintained itself carrying a total weight exceeding its influence based on its size as a producer. The price of oil is a deciding factor for Venezuela, because every dollar lost on the price of a barrel represents nearly $600 million in a year's time; and to compensate for it with sales a volume of about 120,000 barrels per day, at current prices, must be marketed. Every additional dollar lost in the price requires, for compensation in the form of revenue, oil exports that are increasing almost exponentially. By way of example, we could cite the oil revenue estimated for this year, which has been predicted as $9.2 billion, expected to be achieved by exporting 1.585 million barrels per day at a price of $15.77 per barrel, on the average, during the 365 days of the year. If the competition for markets in 1986, which toppled oil prices, is repeated, and we lose $4 per barrel on our exports, reaching an average price of $11.77 per barrel this year, we would have to increase our exports by 540,000 barrels per day to accrue $9.2 billion. We would be exporting over 2.1 million barrels per day. At one time during the price war we reached $8 per barrel, a price at which Venezuela would have to sell over 1.1 million additional barrels on the international markets: in other words, a total volume exceeding 3 million barrels, in order to recover the loss in price and accrue the $9.2 billion programmed as revenue for 1989. These two latter hypotheses could become a reality if a new price war like that of 1986 were to break out. Therefore, the wise policy on the part of those directing the oil policy is to prevent this through negotiation in all scenarios, and first of all within OPEC.

* Former Energy Ministers on Oil Price Increase

33482015c Caracas EL NACIONAL in Spanish 30 May 89 p D-8

[Text] Yesterday the former ministers of energy and mines, Humberto Calderon Berti and Arturo Hernandez Grisanti, agreed in stating that during the second half of this year OPEC will have to set a production level that will make it possible to maintain prices at $18 as a goal.

Calderon and Hernandez Grisanti, who are currently chairmen of the Energy and Mines Commissions of the Chamber of Deputies and Senate, respectively, attended yesterday's meeting of the advisory commission on international oil policy in their capacity as former ministers, together with former ministers Hugo Perez La Salvia and Jose Ignacio Moreno, and the former president of PDVSA [Venezuelan Petroleum, Inc.], General Rafael Alfonzo Ravard, at their usual gathering before an OPEC conference with Minister Celestino Armas.

At these meetings the members of the advisory council are briefed on the status of the oil market by the minister and advisors from the department and PDVSA. Attending this function yesterday were Vice Minister Napoleon Lista; Mario Rodriguez, PDVSA board member in charge of international trade; and Luis Xavier Grisanti, from the board's technical personnel office.

The advisory council members express their views on the issues under consideration, which are usually taken into account by the minister in devising the Venezuelan delegation's position at the conference. Understandably, the advisors' comments and opinions are not binding on the minister, who is ultimately the one responsible for the action taken by the country in OPEC.

Arturo Hernandez Grisanti remarked: "Although on this occasion OPEC's internal situation is better than it was last year, some major problems still remain to be dealt with and solved, as in the case of the production ceiling, which must be very realistic insofar as being geared to demand is concerned, because the $18 price for the OPEC market basket has not yet been consolidated."

As for the press accounts of the various opinions expressed in the OPEC Economic Commission, wherein some propose an increase of 1 million barrels per day for the second half, while others favor a figure close to 2 million, Hernandez Grisanti noted that contradictory views are voiced in the Economic Commission which are later conveyed to the ministers for discussion and a search for agreement on the political level.

In his opinion the view that should prevail in the Conference must be very carefully geared to the demand, so as to be able to maintain the prices, which have not yet reached $18 but rather are running about $17.50 per barrel. The former minister gave a reminder that Venezuela's prices usually stand between $1.50 and $2 under the OPEC market basket figure, and hence it would be highly feasible for our country to attain the goal of $18 for the aforementioned market basket.

Hernandez Grisanti stressed that, on this occasion, there are better conditions for agreement because, with the way in which events have evolved, the atmosphere is less tense within OPEC than it has been in the past. In any event, the discussions may possibly prove lengthy.

Humberto Calderon Berti commented that this OPEC meeting will be difficult and long, even though prices in recent weeks have shown a slight improvement, reflecting OPEC's internal situation which has made it possible for the production quotas and hence the total ceiling set last November to be maintained.

He observed: "Generally speaking, the ceiling of 18.5 million barrels per day has been upheld, contributing to an improved price situation. But the goal for the second half is to achieve a ceiling that will make it possible to keep the price at $18 per barrel."

Calderon was emphatic in stating that $18 is a competitive price compared with other types of energy, is simultaneously rational, and does not entail heavy burdens on the consuming countries' economies. For example, last year the industrialized countries had growth of about 3.5 percent, and this year, even though that index will be lower, the rate of economic activity will be maintained in real terms, and will demand an energy and oil consumption exceeding last year's. The $18 price also provides suitable revenue to the oil exporting countries, and this is of prime importance to Venezuela.

In response to a question Calderon Berti repeated that the appropriate production level to be decided upon at the OPEC conference will the one geared to the demand and helping to keep prices at the $18 level. In this instance, revenue amounting to about $16 to $16.50 per barrel would be accrued for Venezuela's oil exports.

* Foreign Investment in Petrochemical Sector

33480210c Caracas EL NACIONAL in Spanish
25 May 89 p D-7

[Article by Cayetano Ramirez]

[Text] In 1988 the petroleum industry purchased in Venezuela more than 9.3 billion bolivares in goods and other supplies. This is indicative of the importance which the equipment area has for the Venezuelan petroleum, petrochemical, and coal mining industries. This situation underlines the value assigned to the Second Equipment Conference, which will open in Puerto La Cruz on 25 May.

Rafael Aznar, president of the organizing committee for this event, which is sponsored by Corpoven, a subsidiary of Venezuelan Petroleum, Inc. [PDVSA], stated that more than 400 delegates of PDVSA and its affiliates will take part. They will analyze 18 papers, 2 of which will be examined at plenary sessions of the conference. The first paper, to be presented by PDVSA, is entitled: "The Experience of Venezuelan Petroleum, Inc., and Its Subsidiaries in Import Substitution." The second paper, to be presented by Intevep [Institute of Venezuelan Petroleum Technology], is entitled: "Materials and Equipment: Prospects for the Year 2000," in which the future evolution of materials development and its possible application to the petroleum and petrochemical industry will be explored.

An idea of the relevance which the materials acquisition function has in the petroleum industry lies in the fact that one-third of the investment and operations budgets of PDVSA and its subsidiaries is earmarked for the purchase of materials and equipment for its different projects and activities in the operations area. In 1988 Venezuelan Petroleum, Inc. and its subsidiaries spent 9.309 billion bolivares in the country for the acquisition of equipment, spare parts, chemical products, additives, pipes, and general supplies.

Aznar said: "This conference has the objective of exchanging views and sharing experiences in the field of materials acquisition, in addition to strengthening the bonds between the people who work in this sector and the functions which use these materials, defining the areas of priority interest, learning the results of programs carried on in this area, deepening the knowledge of Venezuelan industrial development management, and preparing recommendations aimed at optimizing the management of materials in the domestic petroleum, petrochemical, and coal mining industries.

The focus of the conference will be directed toward changing and evaluating the present situation, as well as toward an analysis of the challenges which will have to be met in the future, in order to define strategies to deal with them successfully.

The analysis of priority areas and the possible, future development of industrial expansion, as well as import substitutes for materials and equipment for the petroleum industry will be among the central themes which the conference will consider in plenary session, based on the presentation which PDVSA will make in this respect.

* PDVSA's Investment Increased

33480210b Caracas EL NACIONAL in Spanish
25 May 89 p D-11

[Article by Cayetano Ramirez]

[Text] In the nine companies of the petrochemical sector under development in Venezuela, foreign investment amounts to about $1.5 billion. This was pointed out by Juan Chacin, president of Venezuelan Petroleum, Inc. [PDVSA], in presenting the company's annual report for 1988.

Among the foreign companies taking part in the plan for expansion are Veba Oel, Mitsui Petrochemicals, Ente Nazionale Idrocarburi (ENI) [Italian National Hydrocarbons Agency], and Norsk Hydro. Provision has been made for the participation of small Venezuelan investors in the private capital of these companies, through marketing a certain number of shares of stock through the Venezuelan Bolsa de Valores [Stock Exchange].

Vigorous growth is evident in the petrochemical industry, with a series of projects under way, whose development means the expansion of the centers of El Tablazo and Moron and the development of a new center in the eastern part of the country. Chacin pointed out that these new petrochemical projects are aimed at satisfying domestic demand, as well as earning greater income from exports by making use of Venezuela's immense wealth in natural gas and by opening new areas of activity for private initiative.

An example of petrochemical development is the existence of 16 mixed companies, one of which is fully functioning, while the others are under construction or are being organized. Among the mixed companies now operating are companies from the United States, Japan, France, Holland, Spain, and Colombia, to which will be added, under the expansion plan, other companies from Germany, Italy, Japan, and Norway.

In 1988 the Venezuelan petrochemical industry achieved the record production figure of 2.3 million tons. However, with the addition of projects now under way, by 1994 the capacity of the Venezuelan petrochemical industry, including mixed companies, will be 9.1 million tons annually. This higher capacity will be more than three times the present capacity, in addition to including an important improvement in quality and in the variety of products turned out.

Export Price

In his introductory note to the report on activities in 1988 Chacin points out that, while operating in a very competitive and unstable market, the average price of hydrocarbon sales abroad recorded by Venezuela was $14.62 per barrel.

During 1988 the dual process of diversification and integration with the market was consolidated. In this way PDVSA strengthened its image as an energy corporation with a broad, international outlook.

In 1988 production of crude oil was about 1.715 million barrels per day, while the production of natural gas condensates and liquids amounted to 286,000 barrels per day. Processing at refineries located in Venezuela reached an average of 945,000 barrels per day, to which should be added 622,000 barrels per day processed in refineries which Venezuela owns abroad, including the leased Isla Refinery in Curacao, which PDVSA operates within its system.

Sales of hydrocarbons abroad reached an average of 1.616 million barrels per day, of which 1.238 million barrels per day were in the form of petroleum products, while the remaining 378,000 barrels were in the form of crude oil. Chacin said: "An analysis of these figures indicates that 77 percent was in the form of petroleum products, with the remainder in crude oil. This reflects PDVSA's policy of increasing its participation in the marketing of petroleum products, while maintaining at the same time a stable supply of crude oil for its traditional customers, which are a relevant part of our international sales strategy."

The 1988 company report on activities points out: "Such a strategy has been aimed at keeping a significant role for heavy and extra-heavy crude oils for specific uses and supplying crude oil to the countries of the Northern hemisphere, while at the same time optimizing the refining plant to maximize the value of the package of export sales."

* New Exchange Rate Doubles Oil Revenue Figure

33482015b Caracas EL NACIONAL in Spanish
27 May 89 p D-7

[Text] PDVSA's [Venezuelan Petroleum, Inc.] revenue from total sales this year will amount to 320 billion bolivares, two and a half times more than estimated in the original budget, owing to the modification in the exchange rate from an estimated 14.50 bolivares per dollar to an average of 38 bolivares.

Yesterday morning a special stockholders meeting was held, chaired by the minister of energy and mines, Celestino Armas, to revise the budget of PDVSA and its subsidiaries, because of the economic measures issued by the executive branch, with a major effect on the 1989 levels of investment, costs, and expenses.

As a result of the exchange difference, the revenue, which is still the same in dollars for oil and petrochemical exports, will increase by 181 billion bolivares over its original estimate. The new prices of hydrocarbon byproducts on the domestic market add a relatively small amount to this total.

Similarly, there is a multiplication of the country's tax revenue based on oil, because it will rise from 84.434 billion bolivares specified in the original budget to 228.764 billion bolivares in taxes incurred during the current fiscal year.

The oil industry's consolidated gains are estimated at 65.77 billion bolivares, 63.64 billion of which is from oil, and 2.13 billion from petrochemicals. The total estimated expenses are 64 billion bolivares, with an increase of about 20 billion which Celestino Armas, during his press conference after the meeting, claimed to have been due to the effects of three factors: inflation, with 7 billion; the new exchange parity, with another 7 billion; and wage and salary increases, with 6 billion.

Foreign Currency Income of $9.122 Billion

The estimated foreign currency income for this year from hydrocarbon sales amounts to $9.122 billion, resulting from exports of 1.585 million barrels per day at an average price of $15 per barrel. It is estimated that a volume of 547,000 equivalent barrels, including nearly 200,000 barrels of gas, will be sold on the national market.

Celestino Armas attended the press conference with over 50 reporters accompanied by the PDVSA president, Juan Chacin, vice presidents Pablo Reimpell and Frank Alcock, and the vice minister, Napoleon Lista. He gave a reminder that the oil industry and MEM [Ministry of Energy and Mines] had been working intensely during the past 2 weeks, since 11 May, on the changes to the budget.

"In updating this budget we considered an oil dollar parity of 14.50 up until 13 March and 38 bolivares starting on 14 March." In response to a question, he explained that the Finance Ministry estimate of a dollar at the exchange rate of 35 bolivares was based on the interest of the executive branch in stabilizing the dollar at that level, while PDVSA was adjusting to the exchange rate currently prevailing on the market, which would ultimately prove favorable, because a revenue cushion would be created if PDVSA's predictions were borne out.

The updated investment budget of Venezuelan Petroleum and its subsidiaries amounts to 149.04 billion bolivares, a sum exceeding the original budget of 79.088 billion approved last December by 69.592 billion bolivares. Of that total, 104.797 billion bolivares are related to the oil industry, nearly doubling the original budget of 53.224 billion bolivares. The updated budget of the petrochemical industry totals 42.156 billion bolivares, with an increase of 20.29 billion over the original.

Celestino claimed that this budget for the petrochemical industry is aimed at that industry's expansion and diversification, with the goal of meeting the increasing domestic demand, substituting for imports, and generating surpluses for export.

As for coal, the updated budget totals 1.511 billion bolivares, 813 million more than the original, and it is aimed at developing the Guasare resources for export.

For these investments, the outlays anticipated for 1989 amount to 63.37 billion bolivares, 26.872 billion more than the original sum that was approved, namely, 36.502 billion. Taking the new economic measures into consideration, the total estimated costs and expenses amount to 64.014 billion bolivares.

Operational Goals for 1989

At the conclusion of the press conference the minister gave a brief list of the goals sought this year in oil and petrochemical operations:

The exploratory effort is to be concentrated in the northern part of Monagas, the North Andean Flank, and Apure.

In an additional effort, a wildcat well and 400 km of seismic lines are called for, to be executed by MARAVEN [a subsidiary of PETROVEN (Venezuelan Petroleum, Inc.)] in the Aruba territorial waters, after having won the pertinent international bidding competition. The crude reserves are estimated at 58.967 billion barrels, with an increase of 12 million over the original budget predictions. This year, gas reserves will amount to 3 billion cubic meters, equivalent to 18 billion of oil. Pequiven's [Petrochemical Company of Venezuela] production is estimated at 1.761 million tons, a figure which, when added to imports of 759,000 tons, consisting mainly of fertilizers and plastics, will make it possible to provide for sales of 2.509 million tons of fertilizers and plastic products on the market.

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* Canache Mata Denies Rift Within AD Party

33482016b Caracas EL NACIONAL in Spanish 27 May 89 p D-4

[Excerpt] Cumana—"There is no risk of Democratic Action's [AD] undergoing a split," that party's executive secretary and head of its congressional faction, Carlos Canache Mata, claimed here.

He noted that internal democracy has always been exercised within the organization, and hence there is an exchange of opinions and various viewpoints until a position is finally established that is necessarily binding on everyone.

He added, "During the current 5-year period a series of measures has been adopted to cope with and surmount the social and economic crisis that we have been suffering for some time, with unpleasant but unfortunately inevitable effects. What we believe is that these effects, these undesirable consequences of the measures, will be merely a temporary disturbance and that better times will come after the storm."

He noted that, in fact, starting next year these measures aimed at correcting the existing macroeconomic imbalances will have charted a new course for the national economy.

He remarked, "We shall have begun to solve the problem of the deficit in our internal accounts, the fiscal deficit, and there will be more production that will put a larger supply of goods and services on the market. This will cause a reduction in prices. In other words, we shall also have begun to discern a solution to perhaps the most serious problem that we are facing now, namely inflation, and the rise in the cost of living."

"What do you think of former President Lusinchi's view, blaming Juan Jose Delpino for starting to discredit his administration?"

He revealed, "The fact is that Delpino, who is a great leader of the party, and very responsible and honest, is head of the Confederation of Venezuelan Workers [CTV], an organization in which there are not only Democratic Action trade unionists, but also trade unionists from the other political parties. He speaks as a CTV and not an AD spokesman; hence, he must pick up the shades of political opinion from the other currents moving within the organization that he heads. That is why his voice is somewhat loud, harsh, and severe. Right now, during this constitutional period, he has made critical comments about the package of economic measures being applied by the government, and this is merely the exercise of authority and the fulfillment of an obligation that he has as top-ranking head of the total movement of Venezuelan workers." [passage omitted]

* Moises Naim on Impact of Tariff Reforms

33482016c Caracas EL NACIONAL in Spanish 30 May 89 p D-7

[Text] According to Development Minister Moises Naim, the trade policy announced by the president yesterday will result in "good surprises" for the development of economic activity, because exports will begin emerging from sectors that no one had previously imagined as capable of achieving this. He also thinks that small amd medium-sized industry may prove to the unbelieving that it has a great capacity for adapting to change.

This high-ranking official appeared highly optimistic about the results of the tariff reform that is due to go into effect within the next few weeks.

During the conversation that Naim held with EL NACIONAL he explained the new structure of the tariff system, comparing it with the current one and explaining its objectives.

He began by pointing out that the essence of this new policy is to give tariffs the role that they should have, something that has not occurred with the system in effect, which also has six elements that have overly complicated the structure, tending to overprotect the national industry. Those elements have been:

- The ad valorem tariff: ranging from 0 to 135 percent;
- Specific taxes, including an additional payment based on the volumes imported;
- Notes: There are nine types (total ban on import, import reserved for the government, permit from the MSAS [Ministry of Health and Social Welfare], license from the Development Ministry, health certificate from the country of origin, health permit from the MAC [Ministry of Agriculture and Livestock], permit from the Defense Ministry, and permit from the Ministries of Finance and Interior);
- Exemptions;
- Import licenses;
- Import monopolies.

"With that structure the most important aspect has been the notes, exemptions, and monopolies. Now tariffs will be more significant."

He also explained that there are 6,150 items, and that with the specific taxes the protection ranges from 0 to 932 percent. There are 3,000 notes, in other words, over 50 percent of the national manufacturing production has been protected by quantitative restrictions.

A Gradual Change

As the president remarked yesterday, this reform will be carried out gradually. The first change, which will be the most difficult to assimilate, is occurring right now during June of this year when the following variations will be introduced:

- There will be a maximum tariff of 80 percent for finished goods, and a 50-percent maximum for intermediate products and raw materials.
- A substantial number of notes will be eliminated.
- Tariffs will be reorganized to prevent a negative effective protection (this type of protection occurs when a higher tariff is levied on raw materials than on a finished product, for example when the finished product rate accounts for 25 percent of the tariff, while the raw material originating it must pay 45 percent plus 70 bolivares per kg).
- Tariffs will be simplifed, changing from brackets that varied from 0 to 135 percent to only seven categories.
- For reasons of austerity there will be a temporary banning of imports of certain goods.
- Both public and private import monopolies will be eliminated.
- Free importing of vehicles will be allowed, with a ceiling of 80 percent, provided they are new units and models existing on the market.
- Taxes and restrictions pertaining to policies adopted by the Ministry of Energy and Mines will remain in effect until they have been considered (these include fuels, minerals, lubricants, bituminous materials, and mineral waxes).
- Protection for the agricultural and agroindustrial industry will be retained. A study is being started now to restructure the agricultural sector, which should be more efficient by 1991. As of that date importing for those areas will be opened.
- Exemption will be limited to products for the basic market basket, products included in the CKD systems (assembly equipment, whether for the automotive industry, white line goods, television sets, etc.), and imports by certain public entities whose laws so require.
- All commitments of an international tariff and commercial nature, such as the Andean Pact, will be upheld.
- Efforts will begin for industrial reconversion, with financial backing from the World Bank. According to the minister, the negotiations to procure credit from the international financial agency are progressing very well.
- The institutional reform of customs, the Foreign Trade Institute (ICE), the National Institute of Ports (INP), and the Ministry of Development is being initiated.

By March 1990 the maximum tariff will be 50 percent, to be grouped into five brackets based on the degree of processing in the products. The Organized System of Designation, Coding, and Merchandise will be adopted, which is a far more modern tariff categorization than the present one. The process of eliminating notes will continue, and the draw-back system will be adopted for exporters (based on this mechanism the state will return to exporters the tariff payment for raw materials to be used in the manufacture of products intended for the international market, the purpose being to enable them to be competitive).

A Long-Term Policy

In March 1991 there will be a maximum ceiling of 40 percent, in four brackets. Finally, in January 1992 the maximum will be 30 percent, in three brackets.

The development minister tried to be quite clear in his explanation of this new policy, which took many hours of work, precautions, and confrontations of all types. He claimed that the objectives of the tariff system in the past were to protect a nascent industry, to generate tax revenue, to preserve existing employment, to save, and at times to stimulate regional development. It was never used as an anti-inflationary tool, because Venezuela was not suffering from inflation.

Now the main objective is to foster internal competition, to heighten our economy's international competitiveness, and to promote the efficient substitution of imports.

As for the basic features of the new tariff structure, he said that it was considered necessary that it be gradual and based on general policies for universal implementation rather than on a discretionary, case-by-case analysis. "An attempt will be made to prevent its 'Recadization' [a reference to the Exchange Rate Differential System (RECADI)]." He pointed out that there have been no exceptions nor special cases, and that all have been treated equally. Greater emphasis had to be given to the ad valorem tariff, and importance had to be detracted from the notes, quotas, licenses, and shares. An effort was made to protect industrial employment, to support the reconversion of that sector in the instances wherein it was necessary, and to achieve a simplified administration.

As for whether this policy will actually combat inflation, Naim noted that there will be sectors that will find their raw materials made cheaper, and hence their prices should decline. But he stressed the fact that the objectives of this reform are not short-term, because it is the basis of a new industrial policy.

"Which sectors will be most affected?"

"The inefficient ones. I believe that what will be most affected are profit margins." He added that the commercial policy should not have any serious negative effect on employment.

He explained that there are about 450,000 persons working in the manufacturing sector, 50 percent of whom are in agroindustry, which will not be touched by this reform. The rest will have 80-percent protection, which will cause even imported products to be far more expensive than national ones. He demonstrated this with some small numbers. A national manufacturer using local raw materials (such as aluminum, plastic, and others that have comparative advantages) and cheap labor, who can import certain components with a dollar priced at 38 bolivares, could compete quite well with an importer who has to pay an 80-percent tariff with a dollar at 38 bolivares, 10-15 percent freight charges, and a port tax (5 percent). That makes about 100 bolivares per dollar. "If you compare a dollar at 38 bolivares with one at 100, and you can't compete with that, then what? There is still a rather large margin of protection, although businessmen will claim that there is not."

With regard to small and medium-sized industry, the development minister said that this is a sector that has shown a great capacity for adaptation, is comprised of businessmen who know how to take advantage of opportunities, who generate a large amount of employment, and the government is willing to back them.

Finally, Moises Naim remarked that the commercial policy will go into effect once the decree appears in the official gazette, which will take some time because it involves a list of 6,150 items that is highly complex.

* Increasing Food Prices, Shortages Reported

33482014b Caracas EL NACIONAL in Spanish
30 May 89 p D-9

[Text] There was a significant increase in the price of choice cuts of beef this week, especially in supermarkets, where it jumped from 98 to 160 bolivares per kg. Regarding chicken, that old alternative to red meat, the price also increased, despite a fall in demand. Eggs in cartons resumed their rising price trend of the past few days and are going for 50 bolivares in the larger stores—20 bolivares more than last week—and 40 bolivares in the markets, where the price of a carton of eggs rose by 5 bolivares.

The tendency toward increases in all items of mass consumption continues to accelerate, reaching peaks even for those items whose prices were expected to stabilize or even decline. In this way we have seen how the price of pork has again increased, despite the fact that in the past few days even the wholesalers decided to lower prices a little because limited demand threatened the volume of sales and was a cause for concern. Chops went up 12 bolivares in price in large and small stores.

The movable price lists of businesses where people buy what they need show constant price fluctuations. For this reason it is impossible to know what to expect from one week to another, and the preparation of a family budget becomes a useless effort. What appears certain is that the rising trend of prices will not stop and indeed will continue to increase, especially for perishable goods, for the coming of the rainy season will increase prices as it does every year.

It is not mere speculation to believe that a kilogram of tomatoes could cost 100 bolivares in a few weeks. (In 1988 the price reached a high of 60 bolivares per kilogram, with an overall inflationary index less than it is at present.) Therefore, it continues to be a good idea to can foods like tomatoes at home.

Finally, the prices of tomatoes, onions, pepper, some green and other vegetables, and fruits as well have increased by more than fivefold. Shortages of goods, that persistent specter which acompanies inflation, above all in the supermarkets, continue to make themselves felt. In the supermarkets it is difficult to find corn and wheat flour, sugar, rice, and toilet paper of low quality.

Here is a curious detail, which the Consumers Initiative Movement has picked up. It has been observed that, contrary to what used to happen in the Venezuela of the past, the street peddlers selling their merchandise near the markets now charge more than the merchants in the markets themselves. This situation is apparently due to the fact that the wholesalers, in turn, sell products at higher prices to these street peddlers, who are either working without a license or are among the unregistered unemployed. The street peddlers take advantage of the nervous state of the people to sell whatever is available.

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* Government May Import Food

33482014c Caracas EL NACIONAL in Spanish 29 May 89 p D-2

[Article by Jesus Eduardo Brando]

[Text] President Carlos Andres Perez [CAP] has instructed the Ministry of Finance to work with the Central Bank and in coordination with private banks to make use of their reserves to provide credit facilities to agricultural producers and livestock raisers. At the same time he ordered that payments for harvests should be brought up to date.

Perez met for approximately 2 ¼ hours (from 1500 to 1745) with the ministers of finance, agriculture and livestock, development, and education; the minister in charge of the Secretariat of the Presidency; representatives of the Agricultural-Livestock Development Bank; as well as with a strong group of representatives of the federations of agricultural producers, farmers, cattle ranchers, industrialists, and of the Agrarian Bureau of the AD [Democratic Action party].

During the meeting the delegates from the production sectors presented to the president the major problems facing them, such as the lack of and difficulty in obtaining finance, inputs, and fertilizers, as well as the problem of security in the countryside.

On the specific point of warnings, both from producers as well as from agrarian leaders, regarding the risk of shortages of agricultural products in the next few months, it was reported that the government promised the establishment of mixed committees to use existing channels to bring to those sectors of the people with the least income food products of primary need, by cutting costs and prices through the elimination or reduction of the networks of middlemen.

However, the producers emphasized the problems confronting them, for this year has been a bad one for harvests. Nevertheless, they reportedly admitted that there is no crisis of such magnitude that it could result in serious shortages.

Questions were raised about increases in the prices of some products, such as instant corn meal, pork, chicken, and eggs.

Government sources stated that the question of price increases was not dealt with to any extent in the conversations but only in passing. Fanny Bello, the minister of agriculture and livestock, reported in general terms on the existing situation regarding imported inputs for the production of concentrated food for animals, which will have an impact on the prices of pork and poultry, but whose market prices will be determined by supply, demand, and consumption.

It would be proper to point out that the government made it clear that it will not permit a food shortage to develop and that, if necessary, it will resort to imports.

Elsewhere in the discussions, agreement was reached on the formation of labor committees, under the coordination of Luis Tula, director general of the Ministry of Agriculture and Livestock. There will be three representatives for each federation, which will meet at the end of each month to prepare a list of priority matters, with a timely report to be made to the president for his subsequent and continuous follow up.

Views of the Producers

- On financial matters: defining as soon as possible the economic and legal viability of the purchase of food stocks by the Central Bank of Venezuela.
- Preparing a short-term solution, either by agreement or by executive order, whichever is possible, which will make it possible to continue settling interest rates at 8.5 percent until definitive solutions are reached. The following, alternative solutions have been suggested: establishment of a rediscount rate of 13 percent compatible with interest rates of 15 percent as the maximum level which can be assimilated by the agricultural sector.
- Setting up a stabilization fund for agricultural interests which would cover the difference between the 15 percent rate and the preferential, agricultural rate defined by the Central Bank of Venezuela.
- The Office of the Presidency would work to facilitate the process of allocating resources required by the agricultural sector, for presentation to Congress.
- Working jointly with commercial, public, and private banks, set up a program for repurchasing the external debt under the guidelines set forth in the recent

resolution of the Central Bank of Venezuela. The foreign exchange profits from these operations would be earmarked for the establishment of a special fund for financing agricultural production.
- Promoting the establishment of a mixed stock bank (including the state and agricultural producers) specializing in the direct financing of production. This financial tool could be set up in the framework of the existing process of the privatization of banks through the recovery of the Agricultural-Livestock Development Bank.
- Participation of the productive sector in the research to be carried out to define a tariff policy for the agricultural sector.
- Regarding the import of machinery, equipment, parts and replacement parts, and inputs, it is necessary to lower tariff duties significantly and to eliminate the system of branch offices and licenses.
- Regarding raw materials of agricultural origin, keep the system of branch offices and licenses for the next 5 years, on condition that they agree to consultations with the associations of producers.
- Developing an agreed-upon, emergency program to ensure food supplies without hampering the recovery of the agricultural sector.
- Setting up a tripartite committee for food supply (made up of representatives of the state, producers, and industrialists) to coordinate actions taken in the food supply field.

* Agricultural Sector Remains Largest Employer

33482014d Caracas EL NACIONAL in Spanish 27 May 89 p D-16

[Article by Ada Urribarri]

[Text] Senator Pedro Pablo Aguilar, chairman of the Permanent Committee on Agriculture and Agrarian Policy of the upper house, has stated, in referring to the lack of foresight and finance for the agroindustrial sector: "Congress has made a firm decision not to approve the president's proposals on a supplementary budget for the government unless an emergency allocation of funds required by the agricultural sector is approved."

The senator continued: "The position of the president is inexplicable. The sector most unfavorably affected by the package of economic measures is agriculture." He added: "Given the characteristics of the agricultural sector, it has always been necessary to give it special treatment: dollars at a preferential exchange rate, credit facilities, low interest on loans, subsidies on fertilizers, a guarantee of profitability, etc. All of a sudden, and in an abrupt way, it was excluded from this special treatment and, as a consequence, agriculture is the sector most affected by the new exchange rate, by the new interest rates, by the inability of the banking sector to take care of its credit needs."

He stated: "In addition, the policy of the government frees agricultural costs and controls prices. Agriculture is thereby caught in the jaws of a pincers which seriously affects its dynamism. Among the petitions and recommendations made to the president was the allocation of additional resources."

He was asked: "To what do you attribute this refusal?"

He replied: "The Senate held a major debate on the situation affecting agriculture. The conclusions of the debate were approved unanimously. Among these conclusions was an appeal to the government to understand the emergency situation which we were facing. The government was urged to take many concrete and effective measures to deal with the crisis. Among the recommendations was earmarking a part of the supplementary budget for the agricultural sector. The Agriculture Committee of the Senate met with the president. We delivered to him the recommendations of the Senate. We told him that it was the unanimous view of Congress or, it might be said, the opinion of the political forces which make up Congress. The government did not disagree with us. It is logical that the strength and respect which Congress deserves should prevail."

He declared: "This is not a caprice of the members of Congress. Rather, it is an act of responsibility. We are convinced that the collapse of agriculture could sweep away the entire Venezuelan economic system. From the overall economic point of view agriculture is much more important than some people suppose. The national agricultural system is of greater importance than petroleum in terms of GNP [gross national product]. It is the largest source of employment in the country. Congress is certainly aware of that reality, and correctly so. In order to avoid an agricultural collapse, Congress must force the president to pay attention to agriculture."

He was asked: "What would be the basic financial needs of agriculture?"

He replied: "There are very concrete facts to bear in mind. The government banks do not have enough money to take care of the needs of agricultural credit. The Coffee Fund has no money to buy up the coffee harvest. The Foniap [Agricultural Research Fund] is on the point of halting agricultural research for lack of funds. There is no money in the budget for agricultural roads, which at this time are a real disaster area. There are no provisions to take care of the requirements of farmer settlements, still less to take care of the infrastructure or to improve conditions in the countryside. The listing of matters which must be deal with as a matter of urgency could go on forever. If these problems are not dealt with, we are going to have a situation in the countryside similar to that in the cities."

He continued: "The farmers will have to hold their own 27 February riots to be taken seriously. Already a bank has been taken over in Acarigua, in protest against the lack of credit. The coffee growers are planning measures to demand payment for their harvest. The situation is desperate, and if the president does not understand this, Congress is disposed to make him understand it."

Finally, the Social Christian senator stated that he felt very strongly that "Congress should show that it is one of the branches of government and that in matters of major national interest, such as that of the agricultural crisis, there are no party differences."

* Over 50 Percent of Population at Poverty Level

33482014a Caracas EL NACIONAL in Spanish 30 May 89 p D-9

[Article by Wilmer Ferrer]

[Text] Although Venezuela still appears to be the Latin American country with the best economic prospects, poverty at less than an extreme level affected 43 percent of the people in 1987, while critical poverty affected 15 percent, according to statistical data published by the World Bank.

These figures mean that when the total population of Venezuela was 18,200,000, about 7,800,000 were affected by marginal poverty, while 2,700,000 were really poverty stricken.

Conditions now must be more dramatic since we have been through 1988. By the end of 1988 the total population was already 18,881,763. During the first half of 1989 the adjustment measures entered into effect, causing serious declines in worker income, and the voice of the people reflected a worsening of the economic situation in every Venezuelan home. It can be concluded that marginal poverty now affects over 9 million people, due to the effects of the economic program, and more than 3 million people are affected by more extreme poverty.

The 43 percent of the population affected by marginal poverty had to spend 50 percent of their income on food, even so running the risk of malnutrition. Meanwhile, 15 percent of the population did not have "sufficient income to purchase even a minimum market basket of food."

As explained by Minister of Labor Marisela Padron, marginal poverty is defined as affecting that group of the population without enough income to purchase two basic market baskets of food monthly. Critical poverty covers the people unable to buy one basic market basket of food monthly.

It is necessary to expand a little bit on this concept. The minimum market basket is made up of all of the products which ensure the basic nutritional requirements of a family. However, that is not the same basic market basket which people have been discussing during the past few months. Rather, this market basket is made up of products with the nutritional content necessary for a balanced diet.

Minister of Labor Padron states that the figures we have used are the most reliable. In the spectrum of national statistics the various numbers are very much open to question. Finally, the figures which we have quoted have been used already in the committee charged with confronting and fighting against poverty in the country.

The rapid growth of marginal poverty in Venezuela to a figure of 43 percent is a serious concern for the specialists who are members of the presidential committee in charge of dealing with this problem. These figures mean that there is a large mass of people without any possibility of living at the minimum level of comfort. Therefore, that is why this program has emerged, on which great efforts have been made in the economic and planning fields. By means of this program it is planned to deal immediately with marginal poverty, in order to prevent its inexorable growth. However, the greatest urgency is attached to helping the mass of the critically poor as soon as possible. If this is not done, these people will continue to turn against the kind of social peace to which the country has been accustomed over the past 31 years and which began to break down with the demonstrations on 27 and 28 February.

The Policy of Subsidies

One of the ways in which the national government will attack the problem is through the social policy designed during its first 4 months in office. In developing this policy all government offices related to this area have taken part but under the coordination of the Ministry of Labor. As Minister Padron points out, it has been a multidisciplinary team which has taken some pains to find the most adequate solutions for a situation not previously encountered in Venezuela.

In this connection direct subsidies of a little more than 9 billion bolivares have been provided which will go directly to the masses of the people affected by the economic adjustment measures implemented by the Perez administration.

Those subsidies appear to be financed by specified credits in the supplementary budget requested for immediate approval from the National Congress to help those who have been most unfavorably affected by the plan of adjustments.

The program of food grants will require 6.048 billion bolivares, 800 million bolivares have been earmarked for Day Care Centers, and 126 million bolivares for a program of social and pedagogical attention which will deal with the population between 7 and 18 years of age. This is in addition to 1.0 billion bolivares for the

Mothers' and Infants' Care Program and some additional funds which are being earmarked for the National Institute of Nutrition to expand its coverage. About 8 million people will be cared for under these programs.

Minister Marisela Padron points out: "During the democratic period in Venezuela at no time had it been proposed to take such substantial measures from the economic point of view. These measures will point to a radical redefinition of the model of economic development. We have been criticized for the fact that our social policy has fallen behind our economic policy. I should state that carrying out those two lines of policy at the same time is a little difficult and complicated, since they move at different tempos. First, you take a step which is very important and necessary, such as the decision on foreign exchange, which had immediate implications for all aspects of our national economy. And during the following week very important changes were made.

The same thing does not happen with social policy. Minister Padron explained: "When the decision was made to decree food grants, what was approved was starting a process of selection and identification of beneficiaries, starting a program to identify a mechanism for the distribution of funds, and starting the organization of a structure which that program had to develop. Furthermore, we were starting a process which took much more time than the processes and mechanisms through which economic policy is implemented."

She continued: "Social policies are put in practice through the use of mechanisms which, at times, are very complex, although economic policies also have their own complexities. However, we are better prepared in this country because we have been developing an economic model with a high level of state intervention, which has created many instruments for intervention in the economy. Social policy has been more a matter of distribution of income through mechanisms adapted to our clients. Frequently, this means that funds earmarked for social policy will be filtered toward sectors of the economy which do not need it. There has been more of that in this country than an efficient social policy aimed at taking care of the poorest sectors of the population."

A Way of Taking Care of the Situation

Minister Marisela Padron then announced a decision made at the cabinet meeting on 24 May: the new organic regulations of the Ministry of Labor, under which new units have been approved within her office "which make it possible for us to handle the various functions without having the corresponding structures."

The task of the first 4 months of work in the government has been very difficult, the minister said, because from the beginning she was assigned a series of functions to perform as a focal point of the social network without having the internal, structural support for them. Neither did she have the necessary budget.

She said: "However, we prepared a program of social policy for the short term with our own human resources and those of other national and international organizations, and this was the proposal made to the Committee for Confronting Poverty. The plan has facilitated a certain amount of activity between the various groups charged with developing social policy. Therefore, the attention paid to the children and to the most vulnerable elements of our population was one of the most important program functions."

Results for 1990

Minister Padron did not wish to state how much time will elapse before she hopes to see the fruits of her work. She limited herself to saying that it is difficult to be precise about periods of time. However, she had confidence in the government that will be in office during 1990. Meanwhile, she hoped that in 1989 it would be possible to control the factors which fell apart during the first few months in the government, such as speculation.

Obtaining positive results in 1990 must involve controlling inflation, reaching points of balance which make it possible to invest in sectors which are expected, on the basis of trade policy, to begin to take shape as sectors with viability to grow and develop fully in the near future.

The minister stated that social policy will be implemented during President Perez' 5-year term in office, for the phenomenon of poverty has always been present at all times in Latin America. Due to its substantial fiscal income Venezuela has been in a position to limit the impact of that phenomenon, in addition to which it had rates of growth much above the averages which Latin America in general has recorded. The minister added that such a situation contributed to a state of affairs in which Venezuela did not show the phenomenon of poverty to such a high degree. However, at this time the situation has gone much beyond what its traditional impact has been. And at the same time poverty has grown!